

## FORM ADV, PART 2A, APPENDIX 1 WRAP FEE PROGRAM BROCHURE | APRIL 24, 2020

This brochure provides information about the qualifications and business practices of Raymond James & Associates, Inc. If you have any questions about the contents of this brochure, please contact our Asset Management Client Services department at 800-248-8863, extension 74991.

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. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about Raymond James & Associates, Inc. is available on the SEC's website at: [adviserinfo.sec.gov](https://adviserinfo.sec.gov).

**Raymond James & Associates, Inc.**  
880 Carillon Parkway // St. Petersburg, FL 33716  
T 800.248.8863 // [raymondjames.com/rja](https://raymondjames.com/rja)

---

**RAYMOND JAMES®**

## ITEM 2 - MATERIAL CHANGES SINCE THE LAST ANNUAL UPDATE

This section describes the material changes to Raymond James & Associates, Inc.'s ("Raymond James") Wrap Fee Program Brochure since its last annual amendment on December 20, 2019. This brochure, dated April 24, 2020, has been prepared according to the U.S. Securities and Exchange Commission's ("SEC") disclosure requirements.

Additionally, in lieu of providing clients with an updated Wrap Fee Program Brochure each year, we typically provide existing advisory clients with this summary describing any material changes occurring since the last annual amendment. We will deliver the Wrap Fee Program Brochure or summary each year to existing clients within 120 days of the close of the fiscal year, which ends September 30. Clients receiving the summary of material changes who wish to receive a complete copy of our then-current Wrap Fee Program Brochure may request a copy at no charge by contacting our Asset Management Client Services department at 800-248-8863, extension 74991. Raymond James' current Wrap Fee Program Brochure is also available through the SEC's Investment Adviser Public Disclosure website at [adviserinfo.sec.gov/IAPD/Content/Search/iapd\\_Search.aspx](https://adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx), SEC# 801-10418, upon request through the client's financial advisor, or on the Raymond James public website: <https://www.raymondjames.com/legal-disclosures>.

The following material change(s) to this brochure have occurred since its last annual amendment:

There have been no material changes since the last annual amendment.

## TABLE OF CONTENTS

<b>Item 1 – Cover Page</b>	1
<b>Item 2 - Material Changes since the Last Annual Update</b>	2
<b>Item 3 - Table of Contents</b>	3
<b>Item 4 - Services, Fees and Compensation</b>	5
<b>Services</b>	5
Managed Account Programs	5
Separately Managed Accounts & Multiple Discipline Accounts	5
Raymond James Consulting Services Program	6
Eagle High Net Worth Program	6
Outside Manager Program	6
Raymond James Research Portfolios Program	7
Raymond James Multiple Discipline Account Program	7
RJCS/RJRP/MDA Manager & Investment Discipline/Strategy Selection	8
Unified Managed Accounts (“UMA”) and Mutual Fund/ETF Managed Accounts	9
Freedom UMA Account Program	9
Freedom Account Program	10
Freedom and Freedom UMA Strategies	11
American Funds Model Portfolios Program	12
Russell Investments Model Strategies Program	12
Advisory Account Programs	13
Ambassador Account Program	13
Termination of Advisory Services	13
Additional Advisory Services	13
<b>Fees</b>	14
Aggregation of Related Fee-Based Accounts	14
Standard Fee Schedules for Managed and Advisory Account Programs	15
Asset-Based Fees	17
Administrative-Only Investments	18
Billing on Cash Balances	19
Additional Expenses Not Included In the Asset-Based Advisory Fees	19
Additional Bundled Service Cost Considerations	20
<b>Compensation</b>	21
Negotiability of Advisory Fee/Commission Rates	21
<b>Item 5 - Account Requirements and Types of Clients</b>	22
Account Minimums	22
Establishing Managed Accounts	23
Processing Guidelines for Managed Accounts	23
Brokerage Practices	23
Directed Brokerage and Trade Execution	24
Best Execution Obligations	24
Raymond James Trade Execution	24
Trade Aggregation and SMA Manager Trade Rotation Practices	25
SMA Managers that Trade Away from Raymond James	25
Managed Account Error Corrections	26
Managed Accounts Funded with Securities	26
Custody	27
<b>Item 6 - Portfolio Manager Selection and Evaluation</b>	27
Performance-Based Fee Arrangements	27
Investment Discretion	28
Financial Advisor as Discretionary Manager	28
Investment Advisory Program Client Notice	28
Methods of Analysis	29
Investment Strategies	30
Principal Risks	30
AMS Manager Research & Due Diligence	31
Proxy Voting	36
Investments in Issuers Subject to Legal Proceedings	36
<b>Item 7 - Client Information Provided to Portfolio Managers</b>	36

## TABLE OF CONTENTS (CONTINUED)

<b>Item 8 - Client Contact with Portfolio Managers</b>	36
<b>Item 9 - Additional Information</b>	37
Disciplinary Information	37
Other Financial Industry Activities and Affiliations	40
Investment of Cash Reserves	42
Affiliated Managers and Funds	43
Intercompany Payments Between Affiliates	43
Code of Ethics and Personal Trading	44
Outside Business Activities and Private Securities Transactions	44
Participation or Interest in Client Transactions	44
Review of Accounts	45
EHNW, Freedom, Freedom UMA, MDA and RJCS Programs	45
Brokerage Statement and Performance / Billing Valuation Differences for Fee-Based Accounts	46
Account Valuation and Pricing	46
Pricing on Fixed Income Securities	47
Tax Considerations	47
Financial Transaction Taxes	47
Unrelated Business Taxable Income	47
Client Referral Arrangements	48
Professional Partners Program and Other Solicitation Arrangements	48
Investment Banking & Public Finance Referral Arrangements	48
Networking Arrangements with Financial Institutions	48
Other Referral Arrangements	48
Other Compensation Arrangements	48
Mutual Fund Investments Available through Raymond James	49
Mutual Funds Assessed or Subject to 12b-1 Fees or Sales Charges	51
Alternative Investments Available through Raymond James	52
Product and Sponsorship Fees	53
Margin Interest	53
Short Sales	53
Uses of Assets as Collateral	54
Financial Information	55
<b>Business Continuity</b>	55
<b>Privacy Notice</b>	56

## ITEM 4 - SERVICES, FEES AND COMPENSATION

### SERVICES

Raymond James & Associates, Inc. ("Raymond James") is a wholly owned subsidiary of Raymond James Financial, Inc. ("RJF"), a publicly held corporation based in Saint Petersburg, Florida. Raymond James is registered with the Securities and Exchange Commission ("SEC") as a broker-dealer since 1962 and as an investment adviser since 1974. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

As of September 30, 2019 Raymond James had \$203.947 billion in assets under management, \$153.696 billion of which was managed on a discretionary basis and \$50.251 billion of which was advised on a non-discretionary basis.

Raymond James financial advisors work with clients to assess their investment objectives based on the information initially provided, and periodically thereafter, to determine which advisory services, if any, are appropriate to recommend to the client. Raymond James tailors its advisory services to clients' individual needs. Clients have the ability to choose which advisory services to utilize and place restrictions on the types and classes of securities purchased for their account(s).

Raymond James offers multiple types of advisory services, including investment education and/or advice, individual investment advisory consulting, institutional consulting, retirement plan consulting and a broad array of financial planning services.

Asset Management Services ("AMS") is an operating division of Raymond James, focusing on the development and administration of Raymond James' fee-based asset management products and services. AMS offers two broad categories of fee-based account programs – Managed and Advisory accounts, as follows:

### MANAGED ACCOUNT PROGRAMS

#### SEPARATELY MANAGED ACCOUNTS:

- Raymond James Consulting Services Program
- Eagle High Net Worth Program
- Outside Manager Program
- Raymond James Research Portfolios Program

#### MULTIPLE DISCIPLINE ACCOUNTS:

- Raymond James Multiple Discipline Account Program

#### UNIFIED MANAGED ACCOUNTS:

- Freedom Unified Managed Account Program

#### MUTUAL FUND/EXCHANGE TRADED FUND ("ETF") MANAGED ACCOUNTS:

- Freedom Account Program
- American Funds Model Portfolios Program
- Russell Investments Model Strategies Program

### ADVISORY ACCOUNT PROGRAMS

- Ambassador Account Program

### MANAGED ACCOUNT PROGRAMS

#### SEPARATELY MANAGED ACCOUNTS AND MULTIPLE DISCIPLINE ACCOUNTS

AMS's separately managed account ("SMA") programs offer clients the opportunity to select professional investment management firms (also called money managers) to individually manage or provide model portfolio recommendations within their designated accounts (that is, once selected, the money manager or AMS will invest the assets in the account on a discretionary basis according to the client's stated investment discipline without soliciting their consent prior to effecting portfolio transactions). AMS's multiple discipline account ("MDA") program offers clients the opportunity to select a broad investment strategy developed by money managers that employ multiple investment disciplines offered by that money manager in one account. SMA accounts are typically employed by clients that wish to maintain greater control over asset allocation (that is, select which and how much to invest in one or more disciplines). MDA accounts offer clients an investment solution that allows the money manager to tactically allocate a percentage of the account's assets into predefined investment disciplines or market sectors (thereby creating a turnkey approach to asset allocation and investment selection).

While SMA's and MDA's are similar to a mutual fund in that a client pays a fee for management of their designated investments, an important difference is that SMA's and MDA's generally provide clients the ability to segregate their assets from other investors (that

is, the client directly owns the portfolio securities versus a mutual fund investor owning shares in an investment company that in turn owns the “pooled” investments). However, there are some SMA’s in the program that hold “pooled” investments. Refer to the section “SMA Funds and Manager ETFs” for additional information.

In addition, SMA’s and MDA’s offer clients the ability to impose reasonable restrictions on the investments made in their account, contribute or withdraw securities and/or cash from their account, request the sale of individual securities for tax planning purposes (also called “tax harvesting”), and flexibility in developing a customized portfolio diversified across multiple investment disciplines, or targeted to an individual or more concentrated investment discipline.

#### RAYMOND JAMES CONSULTING SERVICES PROGRAM

As sponsor of the Raymond James Consulting Services (“RJCS”) SMA Program, Raymond James enters into a subadvisory agreement with select investment advisers registered with the SEC (“SMA Manager(s)”), which includes SMA Managers affiliated with Raymond James. These SMA Managers’ services are made available to clients based on AMS’s familiarity with the SMA Managers’ firm, portfolio management personnel, investment disciplines offered, portfolio construction and AMS’s overall belief that their participation in the program will provide clients access to high quality investment management firms.

Managers within the RJCS Program have historically exercised investment discretion, which generally means that, in addition to developing the portfolio of securities to invest in, they establish the trade plan, execute the trades through their selected brokerage firms, and allocate shares/proceeds to client accounts upon completion of the order. Most equity and balanced investment disciplines are offered by SMA Managers in a model delivery arrangement under which the SMA Manager supplies their model portfolio to Raymond James and Raymond James rather than the SMA Manager is responsible for organizing and effecting portfolio trades. There are distinct differences between the two portfolio management methods, particularly with respect to the SMA Managers’ and Raymond James’ differing responsibilities for trade implementation. Raymond James does not intend to transition any fixed income investment disciplines to model delivery. Additional conversions for specific discretionary SMA Managers may occur over time. As such, for most equity disciplines available in the RJCS Program investment discretion is retained by Raymond James. SMA Managers that offer their disciplines under a model portfolio arrangement with Raymond James are commonly referred to as “Model Managers”. For purposes of this brochure, unless otherwise indicated, both Model Managers and SMA Managers will be referred to as SMA Managers.

A list of participating SMA Managers and available investment disciplines may be requested from your financial advisor. Where you use or purchase investment disciplines managed by Raymond James or our affiliates, Raymond James or our affiliates will receive fees and compensation for management services provided. Please see “Other Financial Industry Activities and Affiliations” for additional information regarding SMA Managers affiliated with Raymond James.

#### EAGLE HIGH NET WORTH PROGRAM

AMS sponsors the Eagle High Net Worth Program (“EHNW”), offering numerous investment disciplines managed (discretionary) or offered (model delivery) by Eagle Asset Management, Inc. (“Eagle”), an investment adviser registered with the SEC. Eagle is a wholly owned subsidiary of Carillon Tower Advisers, Inc. (“CTA”), a wholly owned subsidiary of Raymond James Financial, Inc. (“RJF”) and an affiliate of Raymond James. Unlike the RJCS program, the EHNW program is comprised exclusively of investment disciplines managed or offered by Eagle and is intended for those clients that would prefer to consolidate their SMA investment portfolios with an individual investment management firm rather than allocate amongst multiple firms.

Effective January 2015, Raymond James no longer offers the EHNW program to prospective clients, as the investment disciplines available in EHNW are generally also available through the RJCS program. However, EHNW accounts originally established in the program continue to be managed under the pre-existing investment management agreement.

#### OUTSIDE MANAGER PROGRAM

As sponsor of the Outside Manager (“OSM”) Program, Raymond James also provides investment advisory services with respect to accounts managed by investment managers (“OSM Managers”) not available, in most cases, through the aforementioned RJCS program. In the OSM Program, clients receive discretionary investment management services from the OSM Manager, and trade execution, custodial and advisory services from Raymond James. OSM Managers may have alternative arrangements for trade execution with client consent. The client has an advisory agreement with Raymond James, as well as a separate investment management agreement with the OSM Manager. OSM Managers are generally registered as investment advisers with the SEC, but in limited cases are registered in individual states, unless otherwise exempt from such registration under federal or state securities laws.

All investment decisions will be made by the OSM Manager and the OSM Manager will be solely responsible for those investment decisions. However, Raymond James and its representatives generally (i) assist the client in defining their investment objectives based on information they have provided, (ii) determine whether the given fee arrangement is suitable, (iii) aid in the selection or retention of an OSM Manager to manage the account (or a portion of its assets), (iv) assist in the allocation of assets between OSM Managers if more than one has been selected, and (v) periodically contact the client to ascertain whether there has been any change in their financial circumstances or objectives that warrants a corresponding change in the arrangement or the manner in which their assets are managed.

The OSM Program is similar to the RJCS Program in that the assets of the account are individually and separately managed by a registered investment adviser. However, not all OSM Managers meet AMS’s requirements for consideration to participate in the RJCS

Program, or an OSM Manager may otherwise decline to participate under a subadvisory agreement with Raymond James. Raymond James does not offer the full spectrum of OSM Managers or investment disciplines available throughout the financial services industry through the OSM program. Raymond James may accommodate different billing arrangements for OSM Managers on an exception basis.

OSM Managers typically are smaller (based on assets under management) than RJCS Managers, although this is not always the case. OSM Manager disciplines may be considered by AMS for future RJCS program participation, but there is no guarantee of the OSM Manager's future participation in the RJCS program even if solicited by AMS. The OSM Program is primarily intended to be used by financial advisors joining Raymond James and typically is utilized by clients that have a pre-existing relationship with an OSM Manager not currently available through the RJCS program. However, an investment manager may be added to the OSM Program at the discretion of Raymond James, and factors that may be considered include the anticipated demand for the investment manager, at a prospective client's request, the availability of similar investment disciplines through the RJCS or OSM programs or through alternative investment vehicles such as mutual funds, exchange traded funds or alternative investments, among other factors. Certain OSM Managers may be compensated by performance-based fees. In these cases, Raymond James and its financial advisors do not receive compensation based on the performance-based fee charged by the OSM Manager. Additional information about the performance-based fee charged can be found in the OSM Manager's Form ADV Part 2A or their Wrap Fee Brochure.

In the event Raymond James decides to discontinue supporting an OSM Manager, clients will be notified in advance. Clients will also be notified that the client's advisory account at Raymond James will be converted to a commission-based brokerage account that will no longer incur a portfolio management or advisory fee. Clients will be urged to contact their financial advisor to discuss alternate portfolio options.

#### RAYMOND JAMES RESEARCH PORTFOLIOS PROGRAM

As sponsor and investment manager of the Raymond James Research Portfolios ("RJRP") Program, Raymond James provides certain investment portfolios developed by the AMS Investment Committee ("Investment Committee") or the Equity Portfolio & Technical Strategy Group ("EPTS") of Raymond James' Private Client Group Global Wealth Solutions division. Each available portfolio is developed primarily based on research services provided by Raymond James' Equity Capital Markets ("ECM") division, but may also include research obtained by Raymond James from third parties. Each available portfolio is comprised of equity securities that ECM and/or EPTS analysts view favorably. Each portfolio offers a diversified portfolio of securities designed for long term capital appreciation, to generate current income through dividends, or a combination of both. Portfolios are not typically rebalanced at regular intervals but are rather rebalanced as portfolio changes occur or as part of a comprehensive sector or attribution review performed by AMS or EPTS.

EPTS, similar to many of the SMA Managers in the RJCS Program, delivers model portfolio trades to AMS for implementation in the Core Growth Portfolio and Equity Income Portfolio. Clients choosing these portfolios within the RJRP Program will have the benefit of model trades being implemented by AMS on a discretionary basis. EPTS also makes these model portfolios available directly to clients through financial advisors in other Raymond James account programs, such as Ambassador. Clients choosing to implement the model portfolios through these other account programs may be able to pay a lower fee to receive a similar portfolio, depending on the services performed and fees charged by a client's financial advisor. EPTS will deliver model portfolio trade instructions through electronic means to both Raymond James and to financial advisors simultaneously; however, clients should understand that actual trade implementation by Raymond James or by a client's financial advisor may vary. This variation in trade implementation may cause the performance of a portfolio implemented by a client's financial advisor to differ from the performance of the RJRP portfolio. Clients should understand that while they may pay a lower overall fee in a model portfolio implemented by a client's financial advisor, the financial advisor may earn a higher fee as he or she will be responsible for implementing trades on a discretionary basis or contacting clients to obtain trade approvals if clients are working with a financial advisor on a non-discretionary basis.

A list of strategies and additional information regarding the investment objectives and portfolio characteristics of each strategy are available through your financial advisor. Raymond James, as the investment manager of strategies available within the RJRP Program, will receive a portion of the client's asset-based fee for investment management services provided. Please see "Other Financial Industry Activities and Affiliations" for additional information regarding ways we address conflicts associated with the receipt of these fees.

#### RAYMOND JAMES MULTIPLE DISCIPLINE ACCOUNT PROGRAM

As sponsor of the Raymond James Multiple Discipline Account ("MDA") Program, Raymond James enters into a subadvisory agreement with select SMA Manager(s), which includes SMA Managers affiliated with Raymond James. SMA Managers participating in the MDA Program ("MDA Manager(s)") also participate in the RJCS Program. For example, the SMA Manager may offer four distinct disciplines in the RJCS Program, but one "strategy" in the MDA Program. This strategy is a composite of their four disciplines, where the allocation to each discipline or market sector in the strategy is determined by the MDA Manager. While a given strategy is comprised of multiple disciplines offered by the MDA Manager, the potential exists that a given discipline will not be available through the RJCS Program. In addition, the MDA Manager may allocate a portion of the strategy to a specific market sector, such as an exchange traded fund that tracks the investment grade bond market, rather than a predefined investment discipline comprised of individual securities.

MDA Strategies are made available to clients based on AMS's familiarity with the SMA Managers' firm, portfolio management personnel, investment disciplines offered, portfolio construction and AMS's overall belief that the participation of these MDA Managers will provide prospective clients access to high quality investment management firms.

Similar to SMA Managers offering their equity disciplines in the RJCS Program, the MDA Manager supplies their model portfolio to Raymond James and Raymond James rather than the MDA Manager is responsible for organizing and effecting portfolio trades. Investment discretion in the MDA Program is typically retained by Raymond James, while the MDA Manager is responsible for establishing the asset allocation for each strategy as well as the underlying portfolio of securities comprising each discipline within the strategy. MDA Managers offering strategies that invest in individual corporate or municipal debt securities rather than an exchange traded fund(s) for the fixed income allocation will retain investment discretion over the entire strategy, including the portion of the strategy allocated to equity disciplines. In such cases, the MDA Manager will direct their equity trades through Raymond James and will typically direct their fixed income program trades to broker or dealers other than Raymond James. Please refer to the "Brokerage Practices – Directed Brokerage and Trade Execution" section for additional information regarding trades executed away from Raymond James.

A list of participating MDA Managers and available strategies is available through your financial advisor. Please see "Other Financial Industry Activities and Affiliations" for additional information regarding MDA Managers affiliated with Raymond James.

#### RJCS/RJRP/MDA MANAGER & INVESTMENT DISCIPLINE/STRATEGY SELECTION

Clients choosing to participate in the RJCS, RJRP, or MDA Programs must provide Raymond James with information setting forth their investment objectives, financial situation, time horizon, and risk tolerance (the "Client Profile"), as well as any investment restrictions and any additional instructions related to the management of their account. Should a client select an investment discipline where the SMA Manager manages the account on a discretionary basis, a copy of the Client Profile, along with any other written instructions, will be supplied to the SMA Manager(s) upon their request. Raymond James, and where applicable the SMA Manager(s), relies on the financial and other information provided by the client, who agrees to inform Raymond James of any material change in the information provided in the Client Profile or in their financial circumstances that might affect the manner in which their assets are invested.

Raymond James' recommendation of an RJCS, RJRP, or MDA Manager, including those affiliated with Raymond James, to a client will be based on the Manager's investment philosophy and policies, its record as an investment adviser, and Raymond James' determination that the investment discipline or strategy chosen by the client is consistent with their investment objectives. The client's financial advisor provides assistance in evaluating available investment disciplines or strategies to determine their appropriateness, but ultimately it is the client that chooses the most appropriate program, Manager and investment discipline or strategy. Raymond James' duties will not include the selection of a Manager, investment discipline or strategy on the client's behalf.

As noted in the Investment Management Client Agreement, the Manager(s) selected by the client will either exercise discretionary investment authority, or will provide AMS model portfolios representing securities recommended by the Manager ("Model Managers"), and thereafter will communicate periodic updates to the model portfolio ("Model Portfolios") previously provided to AMS. Should a client select a Model Portfolio investment discipline or strategy, the client delegates discretionary investment authority to Raymond James to effect purchases and sales of Model Portfolio securities, as communicated by the Model Manager to AMS, over assets designated by the client to the Model Portfolio(s). Clients should understand that investment advice provided to a client selecting a Model Manager's investment discipline or strategy is furnished to the client solely by Raymond James; that is, the Model Portfolio and subsequent updates provided to AMS by the Model Manager is not based on the circumstances of or otherwise tailored to any individual client by the Model Manager.

Upon the selection of an RJCS, RJRP or MDA Manager's investment discipline or strategy, the client authorizes Raymond James or the SMA Manager to assume all investment duties with respect to assets held in the client's RJCS, RJRP, MDA, or EHNW account and to exercise sole investment authority with respect to such assets. Raymond James or the SMA Manager will thereafter invest and reinvest the assets of each account in such stocks, bonds, or other property of any kind as it deems is in the best interest of the client in order to achieve the investment objective(s) identified by the client, without regard to holding period, portfolio turnover or resulting gain or loss.

For more information about SMA Manager trading practices, please refer to the "Account Requirements – Directed Brokerage and Trade Execution" section of this Wrap Fee Program Brochure.

The Investment Management Client Agreement is exclusively between Raymond James and the client, and there is no direct agreement between the RJCS, RJRP, or MDA Manager and the client. Clients may contact and communicate with the RJCS, RJRP, or MDA Manager, but generally do so through their financial advisor or AMS.

In the event AMS changes its opinion of a Manager, investment discipline or strategy such that it no longer recommends that Manager as a subadvisor or will no longer offer the Manager's investment discipline or strategy in the RJCS, RJRP, MDA, or EHNW programs, the client will be notified and asked to select a new Manager/investment discipline/strategy. Should a client choose not to make a new selection, Raymond James will terminate the Investment Management Client Agreement upon either the termination of the Manager's investment discipline, strategy or its subadvisory agreement with Raymond James.

Clients should be aware that the investment disciplines offered by Managers through the RJCS, RJRP, MDA, and EHNW programs may be branded or offered under a different name than the same discipline(s) offered through similar programs sponsored by firms other than Raymond James. While the RJCS, RJRP, and MDA Programs offer access to a select list of disciplines and strategies, these offerings are limited to those Managers that agree to participate at the negotiated terms of the subadvisory agreement. Therefore,



not all money managers offer their services to Raymond James' retail clients and we do not offer or recommend the full spectrum of portfolio managers, investment disciplines or strategies that are available throughout the financial services industry.

#### UNIFIED MANAGED ACCOUNTS AND MUTUAL FUND/ETF MANAGED ACCOUNTS

The Investment Committee develops forward-looking risk, return and correlation assumptions for different asset classes (domestic and international equities, fixed income, real estate, commodities and other alternative investments) and investment styles (growth, value, market capitalization) with the purpose of expanding portfolio construction considerations beyond an analysis focused solely on past results. Once asset allocations have been developed across a broad array of risk and return combinations, where the operating assumption is that risk must be increased in order to increase the potential for higher returns, the Investment Committee optimizes (or adjusts) the allocations in an effort to maximize the expected returns at each pre-established risk level. Having formally established the asset allocation, the Investment Committee then chooses multiple portfolio manager investment disciplines and/or mutual funds and ETF's to invest that portion of the allocation that the Investment Committee believes best aligns with the identified asset class. For example, if the allocation has a 10% weighting to large capitalization domestic equity, the Investment Committee will select an investment discipline of one or more portfolio managers and/or funds focused on large-cap domestic equities. Once the allocations have been optimized and populated with select portfolio manager and/or fund and ETF disciplines, the investment strategies ("each a "strategy" or collectively, the "strategies") offered are regularly monitored by the Investment Committee and modified as its capital markets outlook and/or opinions of portfolio managers, funds and investment disciplines change, as necessary.

AMS's Unified Managed Account ("UMA") and Mutual Fund/ETF Managed Account Programs offer clients the opportunity to hire Raymond James to manage their designated accounts on a discretionary basis by selecting SMA Managers' investment disciplines, and/or mutual funds and ETFs (collectively, "Funds") and then investing the assets of the account in accordance with the client-selected strategy. By delegating investment discretion to Raymond James, the client authorizes Raymond James to invest the assets of the account without soliciting their consent prior to engaging in portfolio transactions. AMS offers numerous strategies to clients through the Freedom UMA and Freedom account programs.

To utilize either of these two Programs, the client will complete a Client Profile, setting forth their investment objectives, financial situation, time horizon, and risk tolerance, as well as any investment restrictions and any additional investment-related instructions to comprise their investment strategy. Raymond James relies on the financial and other information provided by the client, and the client agrees to inform Raymond James of any material change in the information provided in the Client Profile or in their financial circumstances which might affect the manner in which their assets are invested. Raymond James' recommendation of a strategy to a client will be based on its determination that the strategy is consistent with the client's investment objectives as stated in the Client Profile. The client's financial advisor provides assistance in evaluating available strategies to determine its appropriateness, but ultimately it is the client that chooses the most appropriate account program and strategy to meet their needs. Raymond James' duties will not include the selection of an investment strategy on the client's behalf.

Upon the client's selection of an account program and strategy, Raymond James will invest and reinvest the assets of each account, based upon the strategy selected by the client, in such SMA Manager disciplines, Funds or other property of any kind as it deems in the client's best interest in order to achieve the investment objective(s) identified by the client. This will be done without regard to holding period, portfolio turnover or resulting gain or loss. While strategies are generally comprised of either equities (via SMA disciplines) or Funds, the client should understand that Raymond James may decide to invest a certain portion of the account in other types of securities to maintain trading flexibility and/or market exposure, or to enhance diversification. For example, the Investment Committee may determine that a Fund should be replaced, but may not have an immediate replacement Fund candidate. In such an event, the Investment Committee may elect to redeem the current Fund in its entirety and invest the proceeds in a broad market or index-based ETF or another investment until a suitable replacement Fund(s) is selected, or may elect to invest in another investment if it believes doing so would potentially enhance the diversification within a given strategy. In the event the Investment Committee changes its opinion of an investment in an SMA Manager's discipline or Fund such that it no longer recommends it as an investment within a given strategy, Raymond James reserves the right to remove and/or replace the SMA Manager's discipline, Fund or other security with another investment without the client's prior consent. The client may revoke this authorization at any time by providing instructions to Raymond James of their desire to choose another strategy (or account program), or terminate their participation in the respective account program outright.

#### FREEDOM UMA ACCOUNT PROGRAM

Whereas a separately managed account ("SMA") holds the model portfolio securities associated with a single investment manager's investment discipline in an individually segregated account, a unified managed account ("UMA") typically holds multiple SMA Managers and Funds in one "unified" account. The Freedom UMA Program offers clients both a broad selection of strategies and allocation options within a given strategy. The SMA Managers selected by the Investment Committee for investment in the Freedom UMA Program are generally available individually through the RJCS Program. However, some of these SMA Managers may participate in only the Freedom UMA Program. Clients choosing to participate in the Freedom UMA Program appoint Raymond James as their investment adviser in recommending compatible strategies, selecting SMA Managers and Funds for investment, and managing the investments of client accounts participating in the selected strategy.

As sponsor of the Freedom UMA Program, AMS enters into a subadvisory agreement with select SMA Managers registered with the SEC, some of which are affiliated with Raymond James. These SMA Managers' services are made available to clients based on AMS's familiarity with the SMA Managers' firms, portfolio management personnel, investment disciplines offered, portfolio construction and its overall belief that the participation of these SMA Managers in the Program will provide clients access to high quality investment advice. In addition to SMA Managers, the Investment Committee may also select Funds to populate the asset allocation (if the Investment

Committee believes the Fund's investment discipline aligns with the allocation). The Investment Committee will typically make a Fund selection when it believes an SMA allocation would be impractical due to the relatively small allocation percent or asset class fit, such as alternatives/commodities, fixed income, international and small- to mid-cap oriented sectors. For example, a Fund may be selected instead of an SMA Manager to fill the allocation if the amount being invested in the asset class could not be economically invested in the SMA Manager's model portfolio (which may be comprised of 100+ individual securities holdings), or if the asset class itself is not available in an SMA format due to capacity constraints (such as liquidity in small cap and international securities), diversification constraints (such as fixed income minimum investments), and/or general availability (such as alternatives/commodities). While the Freedom UMA Program offers access to a wide array of SMA Managers and investment disciplines, these offerings are limited to those SMA Managers that agree to participate at the negotiated terms of the subadvisory agreement. In addition, the Investment Committee will only consider for potential investment those Funds with which Raymond James has entered into a selling agreement with the fund company managing or distributing the Fund.

Leveraging off the research performed by AMS Manager Research & Due Diligence, the Investment Committee constructs multiple strategies comprised of a combination of SMA Managers and Funds representing a broad array of asset classes and investment styles. The Investment Committee identifies asset classes and investment styles that perform differently under varying market conditions, yet are considered complementary to one another. The composition of a given strategy may include domestic and international equities, and where applicable, fixed income, real estate investment trusts, commodity and other alternative investment funds to enhance diversification. A list of available strategies and allocation options is available through your financial advisor. Raymond James, AMS and/or the Investment Committee may develop and offer additional strategies in the future, discontinue previously offered strategies, may add or remove SMA Managers and/or Funds, or modify the target allocations of the strategies at any time.

#### FREEDOM ACCOUNT PROGRAM

Similar to the Freedom UMA Program, the Freedom Account Program ("Freedom") offers clients a broad selection of strategies and allocation options within a given strategy. Clients choosing to participate in the Freedom Program appoint Raymond James as their investment adviser in recommending compatible strategies, selecting Funds for investment, and managing the investments of client accounts participating in the selected strategy on a discretionary basis. Unlike the Freedom UMA Program, the Freedom Program is comprised exclusively of mutual funds and/or ETFs (there are no allocations to SMA Managers).

Leveraging off the research performed by AMS Manager Research & Due Diligence, the Investment Committee constructs multiple investment strategies comprised of a combination of Funds and/or ETFs representing a broad array of asset classes and investment styles. The Investment Committee identifies asset classes and investment styles that perform differently under varying market conditions, yet are considered complementary to one another. The composition of a given strategy may include domestic and international equity and fixed income Funds, as well as real estate investment trusts, commodity and other alternative investment Funds to enhance diversification.

A list of current strategies may be requested from your financial advisor. In addition to the diversified strategies, Freedom offers Completion Portfolios strategies for alternative Investments, fixed Income, international equity and U.S. equity allocations. Completion Portfolios are designed to complete a client's asset allocation plan. For instance, if a client's current equity allocation consists of U.S. stocks/funds only, a Completion Portfolios account offers clients the opportunity to diversify into an alternative investment, international equity-based and/or fixed income portfolio, if appropriate for their situation. Freedom also offers Foundation strategies comprised exclusively of mutual funds which have been developed by the AMS Investment Committee as an investment option available to clients at lower account minimums. While the asset allocation in the Foundation strategies is similar to the hybrid strategies (comprised of U.S. and international equity and fixed income funds), fewer funds are selected due to the lower account minimum, and thus, these strategies are less diversified across the funds selected than the mutual fund, ETF and hybrid strategies. Freedom also offers Environmental, Social and Governance ("ESG") strategies for those investors looking to invest in funds comprised of companies the funds' manager(s) believe act in accordance with ethical and social principles. Raymond James, AMS and/or the Investment Committee may develop and offer additional strategies or discontinue previously offered strategies in the future, will add or remove Funds, may increase or decrease the minimum investment, and will likely modify the target allocations of the strategies in the future.

Clients most appropriate for the mutual fund version of Freedom are those willing to pay more (via higher mutual fund management fee and operating expenses) for the potential to outperform the market or benchmark indices over the long term, but should also be aware the potential to underperform is just as great. Clients most appropriate for the ETF version of Freedom are those willing to achieve market/benchmark-like returns, lower management fees and operating expenses (relative to mutual funds), with limited potential for the individual ETFs to outperform the respective market sectors or indices they track. The "hybrid" versions of Freedom include allocations to both mutual funds and ETFs, versus strategies comprised entirely of mutual funds or ETFs. The hybrid strategies typically utilize ETFs in market sectors the Investment Committee considers more efficient (such as the U.S. and international large capitalization core equity and U.S. corporate, government and securitized bond markets). Alternatively, mutual funds are utilized in market sectors where the investment styles are focused on growth or value segments and in less liquid market sectors (such as U.S. and international small-/mid-capitalization and emerging markets equity and alternative strategies such as managed futures). The hybrid strategies employ a "core" and "satellite" approach to asset allocation, where the core allocations are invested in ETFs the Investment Committee believe have a lower relative probability of outperforming the market/benchmark, and the satellite allocations are invested in actively managed mutual funds the Investment Committee believes have a higher relative probability of outperforming the market/benchmark. Clients most appropriate for the Foundation strategies are those that have smaller investment portfolios, although Raymond James does not restrict access to these strategies for clients that would otherwise qualify for a more diversified and higher investment minimum option.

Due predominantly to the tax exempt status of the interest paid on municipal fixed income securities, the yield has typically been lower than the yield on high quality corporate fixed income. Despite the lower yield, the tax exempt status of income from these securities may provide a net benefit over securities distributing taxable income to individuals (depending on the investor's personal tax situation). There currently is no added tax benefit from holding a municipal fixed income security in a retirement account since distributions from retirement accounts are subject to state and federal income taxes at the investor's marginal tax rate. As a result, AMS generally limits the ability of clients to invest their retirement account assets in Freedom municipal strategies. Pursuant to the Freedom Investment Management Client Agreement, municipal strategy selections made on behalf of tax-qualified retirement accounts will be automatically invested by AMS in the non-municipal fund strategy. For example, IRA and/or ERISA accounts that select the Balanced Municipal strategy will be automatically invested in the Balanced strategy.

The option to reinvest dividends, except in limited cases, is not available for ETF strategies. If no selection is made, all dividends will be paid in cash for the High Income and Retirement Income Solution mutual fund strategies. All other mutual fund strategies will reinvest dividends if no alternative selection is made.

#### **FREEDOM AND FREEDOM UMA STRATEGIES**

The Investment Committee's decisions within these Programs will be based on recommendations provided by AMS Manager Research & Due Diligence, and the strategies may include "Highly Recommended" Funds from the Raymond James Mutual Fund Research ("MFR") coverage list. However, the Investment Committee is under no obligation to select Funds exclusively from MFR's "Highly Recommended" list. For Funds selected by the Investment Committee that are not covered by MFR, it is reasonably likely that MFR will at some point in the future assume research coverage of the Fund(s), and that such Funds may ultimately be rated "Highly Recommended".

AMS Manager Research & Due Diligence continually monitors the Funds in the Freedom and Freedom UMA Programs. If a Fund is downgraded by MFR, the Investment Committee will determine the appropriate course of action, which may include replacing the downgraded Fund in all strategies, if necessary.

The target allocations of the available strategies apply at the time a client establishes an account. Additions to and withdrawals from an account will generally be invested based on the target allocation. Fluctuations in the market value of securities, as well as other factors, however, will affect the actual asset allocation at any given time. AMS will annually rebalance the client's account, based on the anniversary date of its establishment, if at such time the actual asset allocation varies by more than certain predetermined percentages from the target allocation, as established by AMS. AMS may also rebalance an account upon request, or on an other than annual basis as it deems necessary (for example, when an account's cash balance falls below a level sufficient to cover advisory fees, during fund swaps, to maintain target allocations as a result of client-initiated account withdrawals or additions, among others).

Clients should be aware that ETFs and mutual funds have unique distinguishing characteristics and their cost structures differ significantly. Mutual funds, particularly funds that offer more sophisticated investment strategies and alternative asset classes, typically charge substantially higher management fees and operating expenses than ETFs. These fees and expenses are typically 1% to 1.5% for mutual funds versus .20% to .40% for ETFs, although individual mutual funds and ETFs may have higher or lower annual expense ratios. Higher expense ratios will reduce investment performance. The Investment Committee does consider the annual expense ratio when selecting funds, however, the Investment Committee is not obligated to select a Fund or ETF with the lowest expense ratio and instead makes decisions based on other investment-related factors. For specific information on each mutual fund or ETF's expenses, please refer to its prospectus. For additional information regarding mutual fund and ETF investing, see [raymondjames.com/legal-disclosures/package-product-disclosures](http://raymondjames.com/legal-disclosures/package-product-disclosures).

Unlike shares of mutual funds, but similar to other securities and fixed income products, shares of ETFs are bought and sold based on market values throughout each trading day, and do not necessarily trade at their net asset value. For this reason, ETF shares could trade at either a premium or discount to net asset value. ETF shares also may trade at a bid and ask spread, which tends to be wider for ETFs which hold less liquid securities such as international or high yield bonds or emerging market stocks. Both the premium and discount, and bid-ask spreads add to the costs of buying and selling ETFs and may reduce returns associated with those investments.

The Investment Committee may find occasion to invest in a mutual fund with a relatively low level of assets under management. Depending on the total investment in such fund, Freedom and/or Freedom UMA accounts may collectively become a significant or majority shareholder of the fund. In the event the Investment Committee determines a program-wide or cross-program redemption is warranted, this could result in potential redemption issues for the fund such as the fund's inability to quickly liquidate holdings. The Investment Committee will endeavor to minimize the market impact of any investment related decisions that it makes.

Accounts may invest in ETFs 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 advisor for additional information regarding the tax consequences associated with the purchase, ownership and disposition of such investments. Additional information is also available in each ETF's prospectus, which is available upon request.

Not all SMA Managers offer their services to Raymond James' retail clients and we do not offer or recommend the full spectrum of SMA Managers or Funds available throughout the financial services industry. A list of available Strategies, SMA Managers' investment disciplines, Fund investments and target allocations for these programs are available through your financial advisor. Please see the "Other Financial Industry Activities and Affiliations" section for additional information regarding SMA Managers and Funds affiliated with

Raymond James and the “Other Compensation Arrangements” section for additional information regarding mutual funds available for investment through Raymond James.

#### AMERICAN FUNDS MODEL PORTFOLIOS PROGRAM

The American Funds Model Portfolios Program (“American Funds Program”) is a mutual fund advisory service that provides clients the opportunity to allocate assets among various asset classes that cover a variety of investment objectives (each an American Funds “Model”). Similar to the Freedom program, the American Funds Program is an asset allocation-based mutual fund investment program. However, unlike the Freedom program where the Investment Committee establishes the asset allocation and selects the Funds for investment, the American Funds Program invests exclusively in American Funds mutual funds (similar to the Russell Program described below).

Upon the client’s selection of a Model, the client appoints Raymond James to manage each participating account on a discretionary basis with full power to buy, exchange and/or sell American Funds no-load mutual fund shares based on predetermined model portfolios held in the client’s name. Capital Research and Management Company (“Capital Research”), the adviser to the American Funds family of mutual funds, develops the portfolio asset allocation and selects the underlying funds populating each Model.

The target allocation of each Model applies at the time the client establishes an American Funds Program account. Additions to and withdrawals from an account will generally be invested based on the target allocation. Fluctuations in the market value of securities, as well as other factors, however, will affect the actual asset allocation at any given time. Raymond James will annually rebalance the client’s account, based on the anniversary date of its establishment, if at such time the actual asset allocation varies by more than certain predetermined percentages from the target allocation, as established by AMS. Raymond James may rebalance an account upon the client’s request.

Raymond James and Capital Research have entered into a subadvisory agreement where Capital Research provides non-discretionary advice to Raymond James with respect to the asset allocation and fund composition of each Model. Capital Research reserves the right to modify the target allocation of each Model based on changes to its capital markets outlook. However, even though Raymond James retains the ultimate decision making authority and investment discretion over all accounts participating in the American Funds Program, Raymond James generally expects that it will implement the majority, if not all, asset allocation and/or fund changes applicable to one or multiple Models as recommended by Capital Research. Clients should understand that investment advice in the American Funds Program is furnished to the client solely by Raymond James; that is, the Model and subsequent updates provided by Capital Research to AMS is not based on the circumstances of or otherwise tailored to any individual client by Capital Research. Capital Research receives compensation from the American Funds that comprise the portfolios (via the management fee applicable to each fund) for its model portfolio services provided to Raymond James and is not compensated under the aforementioned subadvisory agreement with Raymond James,

A list of current Models and the applicable target allocations is available through your financial advisor. American Funds Models are comprised exclusively of mutual funds from the American Funds family of funds, and the client should understand that alternative investments or investment programs are available to the client to help achieve their investment goals. Additional information regarding a fund’s portfolio manager(s), investment objectives, risks, charges and expenses, and other matters of interest is available in the American Fund’s prospectus, which may be obtained from your financial advisor. As sponsor of the American Funds Program, Raymond James does not offer or recommend the full spectrum of American Funds Models that may be available through firms that sponsor programs similar to the American Funds Program offered through Raymond James.

All strategies will reinvest dividends and capital gains distributions (if any) if the client does not provide instructions to hold such payments in cash.

#### RUSSELL INVESTMENTS MODEL STRATEGIES PROGRAM

The Russell Investment Model Strategies Program (“Russell Program”) is a mutual fund advisory service that provides clients the opportunity to allocate assets among various asset classes that cover a variety of investment objectives (“Russell Portfolios”). Similar to the Freedom program, the Russell Program is an asset allocation-based mutual fund investment program. However, unlike the Freedom program where the Investment Committee establishes the asset allocation and selects the Funds for investment, the Russell Program invests exclusively in Russell Investment Company mutual funds. Upon the client’s selection of a Russell Portfolio, the client appoints Raymond James to manage the portfolio on a discretionary basis with full power to effect buy, exchange or sell transactions of Russell no-load mutual fund shares in predetermined model portfolios held in the client’s name. Russell Investments develops the portfolio asset allocation and selects the underlying funds populating the respective model strategy.

Russell Investments evaluates and retains investment management firms (“Portfolio Managers”) to manage each Russell Investments Fund. Portfolio Managers may be terminated or replaced by Russell Investments generally as a result of changes in senior investment personnel, relative underperformance or a deviation or change in the Portfolio Manager’s investment discipline. Portfolio Manager changes initiated by Russell Investments will not result in transactions being effected by AMS, and such changes will be effected without prior notice to the client. Russell Investments exercises investment discretion over the allocation of assets to each Portfolio Manager, and may elect to not allocate management duties for a portion of the Fund’s assets to Portfolio Managers. Russell Investments may also manage portions of a Fund during transition periods between Portfolio Manager allocations. Based upon the client’s financial needs, risk tolerances and investment objectives, the financial advisor assists the client in selecting the appropriate

strategy. A list of currently available strategies and the applicable target allocations may be requested from your financial advisor. Tax managed alternatives are available for tax sensitive clients.

The target allocation for each of the available Strategies applies at the time the client establishes a Russell Program account. Additions to and withdrawals from an account will generally be invested based on the target allocation. Fluctuations in the market value of securities, as well as other factors, however, will affect the actual asset allocation at any given time. Raymond James will annually rebalance the client's account, based on the anniversary date of its establishment, if at such time the actual asset allocation varies by more than certain predetermined percentages from the target allocation, as established by AMS. Raymond James may rebalance an account upon the client's request. Russell Investments reserves the right to modify the target allocation based on changes to its capital markets outlook.

Additional information regarding the Funds' Portfolio Managers, investment objectives, risks, charges and expenses, and other matters of interest is available in the Fund's prospectus, which may be obtained from the client's financial advisor. Russell Program Strategies are comprised exclusively of mutual funds from the Russell Investments family of funds, and the client should understand that alternative investments or investment programs may be available to the client to help achieve their investment goals. As sponsor of the Russell Program, Raymond James does not offer or recommend the full spectrum of Russell Portfolios that may be available through firms that sponsor programs similar to the Russell Portfolios.

All strategies will reinvest mutual fund dividends and capital gains distributions (if any) if the client does not provide instructions to hold such payments in cash.

## **ADVISORY ACCOUNT PROGRAMS**

AMS, on behalf of Raymond James, administers the Ambassador advisory program. Rather than having a third party SMA Manager or Raymond James manage their account through a managed account program, Ambassador offers clients the opportunity to maintain full investment authority and direct the individual investments made within their account, or delegate investment discretion to their financial advisor (provided certain qualifications are met by the financial advisor).

AMS provides support services for clients and financial advisors through the Ambassador account program, such as establishing custodial facilities, initiating and/or adjusting pre-existing periodic investment and disbursement/payment plans, cash disbursements, account inquiry services, billing and payment remittance support, performance reporting, sales and trading support, educational opportunities and training to financial advisors and other account maintenance services.

The Ambassador Account utilizes a wrap fee advisory account, offered and administered by Raymond James, in which the client is provided with ongoing investment advice and monitoring of securities holdings by their financial advisor. The client's financial advisor will supervise their account on a non-discretionary basis (or manage on a discretionary basis, provided certain qualifications are met), according to the client's objectives. Ambassador offers clients the ability to pay an asset-based advisory wrap fee in lieu of a commission for each investment transaction within the account.

### **DELEGATION OF DISCRETIONARY INVESTMENT AUTHORITY**

Clients wishing to delegate investment discretion to their financial advisor may be afforded the opportunity to do so, provided their financial advisor meets certain qualifications established by Raymond James. Please refer to the "Investment Discretion" section of this brochure for additional information.

### **TERMINATION OF ADVISORY SERVICES**

The client's advisory agreement with Raymond James for each of the aforementioned managed and Ambassador account programs may be terminated by the client or Raymond James at any time upon providing notice to the other party. There is no penalty for terminating the advisory agreement. Upon termination, the client will receive a refund of the portion of the prepaid asset-based fee that has not yet been earned by Raymond James and, where applicable, the SMA Manager. Termination of the advisory agreement will end the investment advisory relationship between the client and Raymond James as it pertains to that account and Raymond James will have no further obligation to recommend or take any action with respect to the securities or cash remaining in the account. Upon termination of the advisory agreement, clients may provide instructions to either liquidate the securities or to hold these securities in a brokerage account. If Raymond James does not receive such client instructions, the advisory account will be converted by Raymond James to a commission-based brokerage account governed by the client's account opening documents. Should the client terminate their investment management agreement with an OSM Manager, Raymond James will not be responsible for the OSM Manager's reimbursement of prepaid management fees not yet earned by the OSM Manager upon termination.

Accounts in the Ambassador program are not for day trading or other extreme trading activity, including excessive options trading or trading in mutual funds based on market timing. As such, pursuant to the Ambassador advisory agreement, Raymond James reserves the right to terminate, in its sole discretion, any client account in the Ambassador program that it feels has engaged in or exhibited excessive trading.

### **ADDITIONAL ADVISORY SERVICES**

Raymond James may, from time to time, issue special reports, charts, graphs, etc., to clients. In addition, Raymond James offers to some institutional clients (e.g., other investment advisers) certain research reports, products or services, including correspondence and communications regarding such research ("research") for a negotiated fee. In providing such impersonal research, Raymond James

is not recommending any particular securities transaction to the client; all investment decisions are that of the recipient of the research and Raymond James disclaims liability for investment decisions any direct or indirect recipient of the research may make based on the research. Raymond James may also offer investment advice on general matters such as business analysis, business succession and/or liquidations in manners not described above. Raymond James may also recommend that clients utilize certain asset allocation services. Fees for such services are disclosed in an agreement entered into by the client.

Pursuant to and in connection with the acquisition of Howe Barnes Capital Management, Inc. and its parent company Howe Barnes Hoefler & Arnett, Inc. (collectively, "Howe Barnes") by Raymond James Financial, Inc., certain financial advisors formerly affiliated with Howe Barnes may provide discretionary investment management services to clients referred by third party unaffiliated investment advisers. In such case Raymond James financial advisors will effect portfolio transactions through the client's primary adviser, as Raymond James will not maintain custodial facilities for such clients. In addition, certain Raymond James financial advisors formerly affiliated with Deutsche Bank Securities, Inc. ("DBSI"), Howe Barnes or Morgan Keegan & Company, LLC may provide discretionary management and/or consulting services pursuant to an advisory agreement or consulting agreement directly with the client. Such arrangements are compensable under a negotiated fee to Raymond James pursuant to its subadvisory, consulting or investment management agreement with the referring adviser or directly with the client. Financial advisors formerly affiliated with DBSI now operate through the Alex. Brown division of Raymond James.

## **FEES**

Raymond James is compensated for the advisory services described in this brochure. Fee schedules for the various strategies the firm manages and account minimums can be found in this section. Clients may negotiate asset-based fee and/or commission rates with their financial advisor, and such a decision is at the discretion of the financial advisor. Factors involved in this negotiation may include the nature and size of the overall client relationship with the financial advisor, the level and type of advisory or other financial services being or expected to be provided, and Raymond James' or its affiliates' policy with respect to discounts. The client should understand that unless a lower rate has been negotiated, Raymond James or its affiliate(s) will charge fees based upon the applicable standard fee schedule detailed below for each advisory account program. While the asset-based fees are negotiable, the standard fee schedule's asset-level breakpoints and each applicable fee rate may not be modified in any way. An inherent conflict exists in how Raymond James handles billing variations from the applicable fee schedule as compensation adjustments can result in higher compensation to the financial advisor from one advisory program to another. Clients may pay us more or less than he/she might otherwise pay if the same services were purchased through another service provider. Clients may negotiate fees with different breakpoints and as a result, may pay a higher fee than as listed in the standard fee schedule detailed below (but not more than the program's maximum fee) as a result of fluctuations in the client assets under management and/or account performance.

## **FINANCIAL ADVISOR ASSET-BASED COMPENSATION**

Financial advisors utilizing any of the previously mentioned account programs offered by Raymond James generally receive compensation as a percentage of the asset-based fee charged to the client's account (often referred to as a "grid" or "net" payout). Raymond James reserves the right to modify the financial advisor's, Raymond James' and/or the SMA Manager's (if applicable) compensation at any time without prior notice to the client; however, in no event will the total asset-based fee charged to a client's account be increased without the prior consent of the client.

Financial advisors are typically compensated based on their annual gross revenue generation, whereby higher gross revenue will generally result in higher payouts. Raymond James pays its financial advisors under a flat payout grid. As a result, a financial advisor's grid payout is not dependent (or variable) upon the type of transaction entered into with, or product/service provided to, any client. Although the grid payout is uniform for a Raymond James financial advisor regardless of the transaction type or account program utilized, clients should understand that asset-based fees vary amongst the different accounts programs offered by Raymond James. As a result, the financial advisor's gross fee compensation is generally higher when the account program fee is higher. In addition, clients should understand that while the grid payout is the same for each financial advisor, the grid payout differs amongst financial advisors (that is, one financial advisor's grid payout may be higher or lower than another financial advisor's based on their individual gross revenue).

While Raymond James believes the charges and fees assessed to clients within each of the asset-based fee programs are competitive with alternative programs available through other firms, competitive forces within the financial services industry and/or regulatory initiatives necessitates that Raymond James periodically review such payouts and make adjustments, either individually or more broadly, based on the specific circumstances of an account program, client relationship, financial advisor and/or branch office, or otherwise as is deemed necessary. With the increasing popularity of asset-based fee programs, competitive forces have generally resulted in a decrease in the annual costs to clients. However, such decreases are not typically uniform throughout the industry, and as a result, firms generally have the discretion to adjust financial advisor payouts, either individually or more broadly, based on their analysis of payouts available from firms they consider to be in their peer universe. Such determinations can be complex, considering the number of banking institutions, wirehouse and regional brokerage firms, and fee-only advisers available to clients.

Compensation adjustments may represent a conflict of interest where a financial advisor may be incentivized to recommend an asset-based fee account program rather than recommending an alternative product or service, if comparable or if available separately to clients. Conversely, lack of such compensation adjustments may provide a disincentive to a financial advisor to recommend an asset-based fee account program to a client. Clients should be aware of such arrangements and should consult their financial advisor for additional details regarding their compensation levels in fee-based accounts.

## **AGGREGATION OF RELATED FEE-BASED ACCOUNTS**



Raymond James aggregates fee-based accounts for billing purposes based primarily on information provided by financial advisors and clients, however, it is the client's obligation to notify Raymond James if there are accounts that the client believes should be included as "related" and Raymond James reserves the right to determine whether accounts are "related" in its sole discretion. Clients may request that Raymond James aggregate their related 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, total aggregate Account Values of all related accounts). In general, related accounts are typically combined based on how the client instructs their financial advisor to link their accounts for the delivery of brokerage statements, trade confirmations and other forms of client communications. For example, the combination of accounts contained in a brokerage statement delivery packet delivered to a unique address will typically form the basis of fee-based account combinations. However, additional accounts may be considered by the financial advisor even when brokerage statements are being delivered to multiple addresses. Clients should understand that combining related accounts effectively acts as a discount to the standard program fee schedule by allowing the client to achieve a lower breakpoint rate as their Relationship Value increases. As a result, it is important for clients to consult with their financial advisor, as factors other than the social security number or tax identification number may be considered by the financial advisor when combining accounts for fee billing purposes. For example, a spouse or domestic partner, their children or other relatives' accounts may be combined based on their collective relationship with their financial advisor. Please note that Raymond James may be limited 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 may result.

Clients that negotiate a reduced asset-based fee with their financial advisor 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. Clients should understand that financial advisors receive more compensation, if the aggregation of related fee-based accounts is not applied. Therefore it is important for clients to disclose any and all potential and applicable relationships that may result or have the potential to result in a discount to their financial advisor for consideration.

Raymond James calculates asset-based fees on a retroactive basis instead of on an incremental basis. As the aggregated relationship value reaches each higher asset tier, or "breakpoint", the applicable fee is reduced and assessed retroactively to the first dollar of the assets.

## STANDARD FEE SCHEDULES FOR MANAGED ACCOUNT PROGRAMS

### Raymond James Consulting Services and Eagle High Net Worth Separately Managed Account Programs

The client is generally assessed an all-inclusive wrap fee, set forth as follows:

Fee-Based Relationship Value	Equity, Balanced & ETF Disciplines	Fixed Income Disciplines	Laddered Bonds & Short Term Conservative* Disciplines
Up to \$1 million	2.75%	2.55%	2.45%
\$1 million up to \$2 million	2.50%	2.30%	2.20%
\$2 million up to \$5 million	2.25%	2.05%	1.95%
\$5 million up to \$10 million	2.00%	1.80%	1.70%
\$10 million and up	1.75%	1.55%	1.45%

\*2,000,000 minimum investment

Under certain limited circumstances, Raymond James may accommodate a client's request to pay for brokerage on a commission-per-transaction basis. In addition to the management fee, the client will pay a commission to their broker-dealer on each transaction. Clients may negotiate commission rates with their financial advisor, and such decision is at the discretion of the financial advisor. Under such an arrangement the management fee is as follows (no breakpoints):

Equity, Balanced & ETF Disciplines	Fixed Income Disciplines	Laddered Bonds & Short Term Conservative* Disciplines
0.60%	0.40%	0.25%

For RJCS and EHNW SMA accounts, there generally is a minimum investment of \$100,000 for equity and balanced accounts, and \$200,000 for most fixed income accounts. Certain SMA Managers may have a higher minimum investment. Minimum investments for each SMA Manager's discipline participating in the RJCS and EHNW programs are available in the Investment Management Client Agreement.

### Freedom UMA Program

Fee-Based Relationship Value	All Strategies Except Institutional	Institutional Strategies
Up to \$1 million	2.60%	2.50%
\$1 million up to \$2 million	2.35%	2.25%
\$2 million up to \$5 million	2.10%	2.00%
\$5 million up to \$10 million	1.85%	1.75%
\$10 million and up	1.60%	1.50%

There is generally a minimum investment of \$300,000 for clients to be eligible for the Freedom UMA Program, although the Conservative Balanced, Aggressive and Global Strategies require a minimum investment of \$600,000, and Institutional Consulting Growth, Moderate Growth and Moderate Strategies have an investment minimum of \$2,000,000.

#### **Raymond James Multiple Discipline Account (“MDA”) and Raymond James Research Portfolios (“RJRP”) Programs**

Fee-Based Relationship Value	Annual Rate
Up to \$1 million	2.60%
\$1 million up to \$2 million	2.35%
\$2 million up to \$5 million	2.10%
\$5 million up to \$10 million	1.85%
\$10 million and up	1.60%

For MDA accounts, there is generally a minimum investment of \$300,000 for all available strategies. There is a minimum investment of \$100,000 for all RJRP program accounts.

#### SMA Manager Fees

Raymond James negotiates the management fee payable to the SMA Manager, based on factors including, but not limited to, the Manager's assets under management in the RJCS and (if applicable) Freedom UMA and MDA Program(s), anticipated sales and administrative service levels, among others.

The negotiated management fee may differ between SMA Managers, or the management fee paid by Raymond James may be more or less than the SMA Manager may receive for providing similar services pursuant to another sponsor's SMA, MDA and/or UMA program(s). As with any negotiation, SMA Managers may agree to or counter Raymond James' proposed payment rate, or otherwise decline to participate in any of our programs if they so choose. An SMA Manager's decision to participate in the RJCS MDA and/or UMA program is theirs alone to make and may be based on economic considerations.

#### The Management Fees Paid by Raymond James to SMA Managers

The management fee payable to discretionary SMA Managers available through the RJCS program is typically 0.40% – 0.50% for equity and balanced accounts, and 0.20% - 0.30% for fixed income accounts, but may vary due to incremental rate negotiation between Raymond James and the SMA Manager. For Model Managers available through the RJCS, MDA and UMA programs, the advisory fee paid to the Model Manager is typically 0.30% - 0.35%. The above mentioned management / advisory fee is paid to the SMA Manager out of the all-inclusive asset-based wrap fee assessed to the client by Raymond James. For clients selecting a Model Manager's investment discipline, the commission-per-transaction arrangement is not available.

The management fee payable to Model Managers selected by Raymond James to participate in the Freedom UMA program is typically 0.30% – 0.35%, but may vary due to incremental rate negotiation between Raymond James and the Model Manager. Although the basis of Raymond James' selection of Model Managers is not contingent upon this negotiated management fee, a conflict may exist due to the incentive Raymond James may have to select a Model Manager(s) with a lower management fee. Raymond James deals with this conflict through its processes designed to determine the suitability of the program for the client. More specifically, Raymond James through its financial advisor, obtains the necessary financial information from the client, assists in the client in determining his or her investment objectives. Raymond James, or client with the assistance of Raymond James, selects an investment strategy consistent with the client's stated investment objective. Raymond James through its financial advisor provides ongoing advice on the selection or replacement of a portfolio based on the client's individual needs. The Model Manager is responsible for selecting the underlying assets within a portfolio and for making changes to the investments selected. Model Managers are independent investment advisor firms. Model managers provide Raymond James on an ongoing basis with a portfolio that includes recommended asset allocations and the specific underlying assets.

Additionally, while the basis of Raymond James' allocation to mutual funds in the Freedom UMA program is intended to enhance the diversification of the portfolio (that is, invest in a mutual fund where an SMA allocation would be impractical due to the allocation percent or asset class, such as alternatives and fixed income), a conflict may exist for Raymond James to allocate a higher proportion of a



portfolio to mutual funds where no management fee is paid by Raymond James to a Model Manager out of the asset-based advisory fee assessed by Raymond James to the client's account (thereby allowing Raymond James to retain a higher proportion of the overall asset-based advisory fee). However, the mutual fund's manager will collect a management fee out of the internal expenses charged by the fund company (an internal expense of the fund).

#### Outside Manager ("OSM") Program

Fee-Based Relationship Value	Annual Rate
Up to \$1 million	2.25%
\$1 million up to \$2 million	2.00%
\$2 million up to \$5 million	1.75%
\$5 million up to \$10 million	1.50%
\$10 million and up	1.25%

Raymond James' Asset-Based Fee does not include any fees paid to the OSM Manager. The client will compensate the OSM Manager separately as agreed upon between the client and the OSM Manager. The OSM Manager is typically responsible for calculating and collecting their management fee. However, for simplicity of billing administration, certain OSM Managers may request that Raymond James calculate and assess their management fee as part of Raymond James' wrap fee. Otherwise, for those OSM Managers that do not delegate billing administration to Raymond James, Raymond James will debit the OSM Manager's fee to the client's account upon receipt of the client's authorization, but will not be responsible for verification of the computation of such fee.

There generally is a minimum investment of \$100,000 for all equity and balanced accounts, and \$200,000 for most fixed income accounts, although certain OSM Managers may have higher minimums.

#### Freedom, American Funds and Russell Model Strategies Programs

Fee-Based Relationship Value	Annual Rate
Up to \$1 million	2.25%
\$1 million up to \$2 million	2.00%
\$2 million up to \$5 million	1.75%
\$5 million up to \$10 million	1.50%
\$10 million and up	1.25%

There is a minimum investment of \$25,000 for most Freedom Strategies, with the exception of the Freedom Foundation and ESG Strategies which may be opened with a \$5,000 minimum investment. There is a minimum investment of \$25,000 for Russell Strategies and \$5,000 for American Funds Models.

#### Ambassador Program

Fee-Based Relationship Value	Annual Rate
Up to \$1 million	2.25%
\$1 million up to \$2 million	2.00%
\$2 million up to \$5 million	1.75%
\$5 million up to \$10 million	1.50%
\$10 million and up	1.25%

The minimum Account Value of Fee Investment is \$25,000 for Ambassador Accounts.

#### ASSET-BASED FEES

For purposes of calculating and assessing asset-based fees, Raymond James uses the term "Account Value", which may be different than the asset value as reported on brokerage statements provided to clients. Pursuant to the investment management or advisory agreement, Account Value is defined as the total absolute value of the securities in the Account, long or short, plus all credit balances, with no offset for any margin or debit balances. Please see "Review of Accounts – Brokerage Statement and Performance/Billing Valuation Differences for Fee-Based Accounts" for details on the account valuation methodology employed by Raymond James when calculating asset-based fees.

The annual asset-based fees associated with the aforementioned account programs are typically payable quarterly in advance (billing in arrears may occur in certain legacy account relationships). When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in

advance, is based on the Account Value as of the last business day of the previous calendar quarter, and becomes due the following business day. Raymond James may make accommodations to its billing procedures based on a client's specific request, from time to time under limited circumstances, subject to Raymond James' sole discretion.

If cash or securities, or a combination thereof, amounting to at least \$100,000 are deposited to or withdrawn from a client's account on an individual business day in the first two months of the quarter, Raymond James will: (i) assess asset-based fees based on the value of the assets on the date of deposit for the pro rata number of days remaining in the quarter, or (ii) refund prepaid asset-based fees based on the value of the assets on the date of withdrawal for the pro rata number of days remaining in the quarter. No additional asset-based fees or adjustments to previously assessed asset-based fees will be made in connection with deposits or withdrawals that occur during the last month of the quarter unless requested by the client. Notwithstanding the above \$100,000 adjustment threshold, Raymond James reserves the right, in its sole discretion, to process or not process fee adjustments when the source and destination of deposits and withdrawals involve a client's other fee-based advisory accounts. For example, a transfer of \$100,000 into a joint RJCS account funded from two \$50,000 withdrawals from separate Ambassador accounts will have the \$100,000 billed in their joint RJCS account and each of the Ambassador accounts will be refunded previously assessed fees on the separate \$50,000 withdrawals for the pro rata period remaining in the quarter.

The client authorizes and directs Raymond James, when acting as custodian to deduct asset-based fees from their account. Clients will be provided brokerage statements, at least quarterly, showing all amounts disbursed from their account, including the amount of the asset-based fee, the Account Value on which the fee was based, and the manner in which the fee was calculated.

Should the client transfer management duties from one Manager to another Manager within the RJCS or EHNW programs, any prepaid asset-based fees will be reimbursed for the period not earned by the previous Manager and billed for the remainder of the period for the newly designated Manager.

Employees of Raymond James or its affiliates are eligible for lower management fee arrangements for their personal accounts.

#### **ADMINISTRATIVE-ONLY INVESTMENTS**

Certain securities may be held in the client's Ambassador account and designated "Administrative-Only Investments". There are two primary categories of Administrative-Only Investments: Client-designated and Raymond James-designated. Client-designated Administrative-Only Investments may be designated by financial advisors that do not wish to collect an advisory fee on certain assets, while Raymond James-designated Administrative-Only Investments are designated as such by Raymond James in conformance with internal policy. For example, a financial advisor may make an arrangement with a client that holds a security that the financial advisor did not recommend or the client wishes to hold for an extended period of time and does not want their financial advisor to sell for the foreseeable future. In such cases the financial advisor may 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, Raymond James may determine that certain securities may 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 through Raymond James within the last two years and Primary Market Distributions including new issues and syndicate offerings). Assets designated by Raymond James as temporarily exempt from the advisory fee fall into the Raymond James-designated category.

The following chart illustrates which Ambassador account type permits for the use of Client-Designated and Raymond James-Designated Administrative-Only Investments:

<b><u>Account Type</u></b>	<b><u>Client-Designated</u></b>	<b><u>Raymond James-Designated</u></b>
Non-discretionary (all)	Permitted	Permitted
Discretionary/Non-retirement	Permitted	Permitted
Discretionary/Retirement	Not Permitted	Permitted

PLEASE NOTE: Client-designated Administrative-Only Investments and the maintenance of such positions in the client's account are not permissible in discretionary Ambassador retirement accounts (such as IRAs and employer sponsored retirement plans). Raymond James has elected to preserve the ability for clients and their financial advisors to designate assets as Client-designated Administrative-Only in their taxable and non-discretionary Ambassador retirement accounts in order to maintain client choice and avoid the need to maintain a separate account to hold these securities or cash. Clients should understand that not being assessed an advisory fee introduces a conflict that the financial advisor's advice may be biased as a result of their not being compensated on this asset. As a result, the financial advisor may recommend a course of action in their own interest and not the client's best interest (such as selling the security to increase the financial advisor's compensation). Raymond James monitors the appropriateness of existing advisory accounts on an ongoing basis to ensure that financial advisors are making investment decisions that are consistent with clients' stated objectives and strategies.

Administrative-Only Investments will not be included in the Account Value when calculating applicable asset-based advisory fee rates. For example, a client whose Ambassador account holds \$750,000 of cash and securities that includes \$150,000 of Administrative-Only Investments will only have the asset-based fee rate assessed based on the \$600,000 Account Value. For clients with multiple fee-based accounts, the Relationship Value will be used to determine the applicable fee rate that will be assessed. However, clients should understand that any assets held as Administrative-Only Investments will not be included in the Relationship Value. Please see

the “Aggregation of Related Fee-Based Account” section of this for additional information on how Raymond James combines related accounts for fee billing purposes

## **BILLING ON CASH BALANCES**

Raymond James will assess advisory fees on cash sweep and foreign currency balances (“cash”) held in Ambassador accounts. If the cash balance exceeds 20% of the Account Value as of the last business day of the quarter (“the valuation date”) 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 31<sup>st</sup>, June 30<sup>th</sup>, and September 30<sup>th</sup>) 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 30<sup>th</sup> valuation date would exclude \$10,000 of the cash from the Account Value when assessing the advisory fee.

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.

The Cash Rule may pose a financial disincentive to a financial advisor as the portion of cash sweep balances in excess of 20% will be excluded from the asset based fee charged to the account. This may cause a financial advisor 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. Clients may direct their financial advisor 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 and foreign currency 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 are generally expected to be a small percentage of the overall account value, as determined by the SMA/UMA Managers, in the American Funds, EHNW, Freedom, Freedom UMA, MDA, RJCS, RJRP and Russell managed accounts and therefore these accounts are not subject to the Cash Rule.

## **ADDITIONAL EXPENSES NOT INCLUDED IN THE ASSET-BASED ADVISORY FEE**

Clients may also incur charges for other account services not directly related to the advisory, execution and clearing services provided by Raymond James 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, please contact your financial advisor or visit Raymond James’ public website: [raymondjames.com/services\\_and\\_charges.htm](https://raymondjames.com/services_and_charges.htm) (Client Account Fees and Charges).

The asset-based fees associated with the aforementioned managed and advisory account programs include all execution and clearing charges except: (1) certain dealer-markups and odd lot differentials, taxes (including unrelated business taxable income in retirement accounts), exchange fees, regulatory transaction fees charged to clients to offset fees Raymond James pays to exchanges and/or regulatory agencies on certain transactions and any other charges imposed by law with regard to any transactions in the account; and (2) offering concessions and related fees for purchases of public offerings of securities as more fully disclosed in the prospectus.

The Regulatory Transaction (RT) Fee is collected to recoup transaction fees paid by Raymond James to an exchange or self-regulatory organization in connection with the sale of certain securities. Please see <https://www.raymondjames.com/wealth-management/why-a-raymond-james-advisor/client-resources/client-account-fees-and-charges> for additional information.

In certain situations (such as when open-end mutual fund shares are initially transferred to Raymond James from another firm), the mutual fund share classes that Raymond James makes available to clients on its platform may, in addition to assessing management fees charge a distribution fee pursuant to Rule 12b-1 under the Investment Company Act of 1940, also known as trails. 12b-1 fees are included in the calculation of the annual operating expenses of a mutual fund and are disclosed in the fund prospectus. If received by Raymond James on advisory accounts, 12b-1 fees will be credited bi-monthly to the client’s account(s) as applicable. For additional information regarding 12b-1 fees, please see sections below titled “Mutual Fund Investments Available through Raymond James” and “Mutual Funds Assessed or Subject to 12b-1 Fees or Sales Charges” under “Other Compensation Arrangements.”

Clients should understand that the annual advisory fees charged in the aforementioned programs are in addition to the management fees and operating expenses charged by open-end, closed-end and exchange-traded funds (“ETFs”). To the extent that a client intends to hold fund shares for an extended period of time, it may be more economical for the client to purchase fund shares outside of these programs. Clients may be able to purchase mutual funds directly from their respective fund families without incurring the Raymond James’ advisory fee. When purchasing directly from fund families, clients may incur a front- or back-end sales charge.

Clients should also understand that the shares of certain mutual funds offered in these programs may impose short-term trading charges for redemptions (typically 1%-2% of the amount redeemed) made within short periods of time. These short-term charges are

imposed by the funds (and not Raymond James) to deter “market timers” who trade actively in fund shares. Clients 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, may increase the overall annual cost to the client by 1%-2% (or more), and are available in each fund’s prospectus. Please refer to the “Other Compensation Arrangements” section for additional information regarding mutual funds available for investment through Raymond James.

Clients should be aware that ETFs incur a separate management fee, typically 0.20%-0.40% of the fund’s assets annually (although individual ETFs may have higher or lower expense ratios), which is assessed by the fund directly and not by Raymond James. This management fee is in addition to the ongoing advisory fee assessed by Raymond James, and will generally result in clients which utilize an SMA Manager or Investment Strategy that invests in ETFs paying more than clients utilizing one that invests in individual securities, without taking into effect negotiated asset-based fee discounts, if any.

Certain ETFs may be 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 RJCS, EHNW, MDA, Freedom or Freedom UMA clients should consult their tax advisor 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.

Certain no-load variable annuities may be purchased in or transferred into accounts in the Ambassador program and may be charged an asset-based advisory fee. The annual advisory fees charged for these no-load variable annuities are in addition to the annual management fees and operating expenses (which are typically higher than either mutual funds or ETFs) charged by the insurance companies offering these products.

In the event an SMA Manager elects to utilize brokers or dealers other than Raymond James to effect a transaction in a recommended security (“trade away” from Raymond James), brokerage commissions and other charges for transactions not effected through Raymond James are generally charged to the client by the executing broker or dealer, whereas the wrap fee assessed by Raymond James covers the cost of brokerage commissions on transactions effected through Raymond James. As such, when an SMA Manager elects to trade away and there are brokerage commission or other charges associated with the transaction, your overall program costs will increase. Please refer to the “Brokerage Practices – Directed Brokerage and Trade Execution” section for additional information regarding trades executed away from Raymond James.

Clients should also understand that more sophisticated investment strategies such as short sales and margin may be offered in the Ambassador program. Fees for advice and execution on these securities are based on the total asset value of the account. While a negative amount may show on your statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where your financial advisor benefits from the use of margin creating a higher absolute market value and therefore receive a higher fee. The use of margin also results in interest charges in addition to all other fees and expenses associated with the security involved. Additional information on the use of margin is discussed below in the Buying Securities on Margin and Margin Interest section under Item 6 – Portfolio Manager Selection & Evaluation.

Primary Market Distributions (i.e., syndicate offerings where RJA is a distribution participant) purchased within the last 12 months will not be included in the Ambassador account value for fee calculation purposes for 4 quarters after the initial purchase date (such syndicate offerings are not eligible to be maintained in discretionary Ambassador retirement accounts). Clients should understand that while Raymond James and its financial advisors do not receive an advisory fee on this asset held in an Ambassador account during the time period that the asset is not fee eligible, Raymond James and its financial advisors will receive other compensation related to the purchase of a syndicate offering where Raymond James acts as a distribution participant.

#### **ADDITIONAL BUNDLED SERVICE COST CONSIDERATIONS**

A client’s total cost for each of the services provided through the above programs, if purchased separately, could be more or less than the costs of each respective program. Cost factors may include the client’s ability to:

- Obtain the services provided within the programs separately with respect to the selection of portfolio securities,
- Invest and rebalance the selected mutual funds without the payment of a commission or sales charge, and
- Obtain performance reporting comparable to that provided within each program.

When making cost comparisons, clients should be aware that the combination of multiple investments, advisory services, custodial and brokerage services available through each program may not be available separately or may require multiple accounts, documentation and fees. If an account within an advisory program is actively traded or the client otherwise does not qualify for reduced commissions or sales charges, the fees may be less expensive than separately paying the commissions and/or sales charges and advisory fees. If an account within an advisory program is not actively traded or the client otherwise would qualify for reduced commissions and/or sales charges, the fees in these programs may be more expensive than if utilized separately. The client’s financial advisor may have a financial incentive to recommend a fee-based advisory program rather than paying for investment advisory services, brokerage, performance reporting and other services separately. A portion of the annual advisory fee is paid to the financial advisor, which may be more than the financial advisor would receive under an alternative program offering of Raymond James or if the client paid for these services separately. Therefore, the client’s financial advisor may have a financial incentive to recommend a particular account program over another. Clients who do not wish to purchase ongoing investment advice

or investment management services and you wish to follow a buy and hold strategy, you should consider opening a brokerage account rather than a fee-based account. In a brokerage account, a client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. To ensure the financial advisor is making appropriate recommendations, Raymond James conducts reviews of advisory relationships to confirm sufficient documentation of fiduciary services provided is being maintained by the client's financial advisor. Additionally, reviews are conducted to assess the adequacy and appropriateness of fiduciary services provided.

Financial advisors do not receive a financial incentive to recommend and sell proprietary mutual funds versus non-proprietary funds. However, because compensation structures vary by advisory program, financial advisors may receive higher compensation for certain advisory programs. In addition, your financial advisor may receive incentive compensation for utilizing a particular advisory program. Please refer to the "Other Compensation Arrangements" section for information regarding additional asset-based compensation to financial advisors. Raymond James conducts reviews of advisory relationships to confirm sufficient documentation of fiduciary services provided is being maintained by the client's financial advisor. Additionally, reviews are conducted to assess the adequacy and appropriateness of fiduciary services provided to ensure the financial advisor is making appropriate recommendations.

Raymond James believes the charges and fees offered within each of its fee-based program are competitive with alternative programs available through other firms and/or investment sources, yet makes no guarantee that the aggregate cost of a particular program is lower than that which may be available elsewhere.

Further information regarding fees assessed by a mutual fund, variable annuity, or UIT is available in the appropriate prospectus, which clients may request from their financial advisor. Clients may purchase these securities outside of an advisory account and therefore avoid paying an additional advisory fee. However, when these assets are purchased in a non-advisory account, clients would not receive ongoing advice from their financial advisor.

## **COMPENSATION**

### **NEGOTIABILITY OF ADVISORY FEE/COMMISSION RATES**

As mentioned previously, asset-based fees are generally negotiable between the client and financial advisor. Each of the aforementioned account program-specific fee schedules have built in breakpoints to reduce fees as the assets in the account(s) rise, as well as at the relationship level for aggregation of eligible accounts. For certain clients with substantial assets being considered for or currently participating in an advisory program, the asset-based fee is negotiable whereby the financial advisor and Raymond James share in the negotiated discount. This will generally occur at the \$10 million level for managed accounts and \$5 million level for advisory accounts. Discounts for accounts that do not meet these minimum thresholds remain negotiable, but the client should understand that the financial advisor's negotiation is largely dependent on their willingness to reduce their compensation without the benefit of fee concessions from Raymond James.

Certain financial advisors may establish special pricing arrangements as an alternative to discounting the standard fee schedule for a specific account program. Such arrangements generally will not result in the total asset-based fee charged to the client exceeding that which would otherwise have been assessed had the standard undiscounted fee schedule been applied. However, under certain circumstances the client may agree to a pricing arrangement that involves paying a negotiated fee in excess of the standard fee schedule. In either case, special pricing arrangements must be approved in advance by Raymond James and will not exceed the maximum standard annual asset-based fee that may be charged in any advisory account program offered by Raymond James, currently 2.75% of assets under management. Clients should carefully review with their financial advisor the anticipated activity within their account and the services being provided to determine whether the aforementioned pricing arrangement continues to best meet their needs.

For the RJCS and OSM Programs, the client is generally assessed an all-inclusive wrap fee, although under certain limited circumstances Raymond James may accommodate a client's request to pay for brokerage on a commission-per-transaction basis. Under a wrap fee arrangement, the client pays an annual asset-based fee which is calculated as a percentage of assets under management in the account. The financial advisor receives a portion of the asset-based fee as his or her compensation. Under the management fee plus commissions arrangement, the client pays a commission for each transaction in the account, as transactions occur, at the rate negotiated between the client and their financial advisor or broker-dealer. The financial advisor receives a portion of such commissions as his or her compensation. In addition to the per transaction commission, the client will pay a management fee to Raymond James and the SMA Manager for portfolio management. Please see "Fees – Raymond James Consulting Services Program" for the applicable asset-based fees.

Clients should bear in mind that asset-based fee arrangements, when compared with the traditional commission option, generally result in lower costs during periods when trading activity is heavier, such as the year an account is established. During periods when trading activity is lower, such arrangements may result in a higher annual cost for transactions. Thus, depending on the level of trading activity, or turnover, in an account, a client that chooses an asset-based fee may pay more for transaction services than if they chose the commission alternative. Of course, the reverse is also true. The compensation arrangement will have no effect on the trading activity in the client's account. In other words, portfolio management is conducted independently of how the client pays for brokerage services. Some clients favor the asset-based fee because it fixes their brokerage cost at a predetermined level; whereas other clients may not find such an arrangement suits their needs because they anticipate their accounts will have low turnover. In any event, clients are entitled to know the exact amount of the brokerage fee, the services provided for that fee, and anticipated turnover in the account.



Clients should explore this subject thoroughly with their financial advisor in order to be able to determine whether an asset-based wrap fee arrangement is appropriate for their needs.

## **OTHER CONFLICTS OF INTEREST TO CONSIDER**

In addition to the fee based compensation your financial advisor receives for providing advisory services, your financial advisor may also be a registered representative of RJA and earn commissions for transactional business in accordance with RJA's published commission schedule. At the conclusion of each year, qualifying advisers are awarded membership in the RJA's recognition clubs. Qualification for recognition clubs is based upon a combination of the adviser's annual production (both advisory and transactional), total client assets under administration, and the professional certifications acquired through educational programs. Participation in these recognition clubs represents a conflict of interest since the qualification criteria is based, in part, on the annual gross production of the financial advisor, and as a result, the financial advisor is incentivized to increase their gross production (that is, increase their commissions and advisory fees) to obtain the required recognition club level. Recognition club members will receive invitations to trips, conferences, and will also receive incentive compensation in the form of cash payments, stock options, and restricted stock units. You should be aware of such arrangements and consult your financial advisor for additional details.

Raymond James offers co-branded credit cards through Elan Financial Services ("Elan"), a company within U.S. Bank. U.S. Bank and Raymond James are separate and non-affiliated companies. If a client applies for an Elan credit card through Raymond James, Raymond James receives \$100 for each approved application. The Raymond James credit card program offers consumer and business credit cards. Raymond James also receives 10 basis points on the net amount consumers spend on their consumer credit cards and 15 basis points on the net amount consumers spend on their business credit cards. These payments are made to Raymond James by Elan on a periodic basis. The term net refers to the amount of purchases minus returns, chargebacks and refunds. Raymond James does not share these payments with your financial advisor. Clients are not under any obligation to apply for a credit card through Elan as a condition of opening an advisory and/or brokerage account through Raymond James. For more information about the Raymond James credit card program, please visit our website at <https://www.raymondjames.com/wealth-management/advice-products-and-services/banking-and-lending-services/cash-management/raymond-james-credit-card>.

In addition to compensation, Raymond James provides financial advisors with access to financial incentives for affiliating with our firm. These arrangements include, but are not limited to transition assistance, bonuses, deferred compensation arrangements, enhanced pay-outs, repayable business transition or working capital loans, administrative fee reimbursements, attendance at Raymond James conferences and events, marketing services and materials, and other valuable financial incentives. Based on these arrangements, your financial advisor is incentivized to recommend that clients open and maintain accounts for advisory and/or brokerage services. These incentives may influence your financial advisor's recommendation that you transition your account(s) to the firm. Raymond James mitigates these conflicts of interest by monitoring to ensure that financial advisors are making investment decisions that are consistent with the client's stated objectives and strategies. Raymond James also maintains policies to ensure the account is appropriate for the applicable advisory program or service and consistent with our fiduciary duty to the client.

## **ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

Raymond James provides advisory services to a broad range of current and prospective clients, including individuals, individual retirement accounts ("IRAs"), banks and thrift institutions, trusts, estates, charitable organizations, state and municipal government entities, pension and profit sharing plans, including plans subject to ERISA, investment advisers, corporations and other business entities.

Applicable requirements for opening or maintaining an account with Raymond James, such as minimum account size, are discussed under the above "Services, Fees and Compensation" section.

### **ACCOUNT MINIMUMS**

Raymond James generally imposes a minimum dollar amount to participate in each of the aforementioned advisory programs. However, smaller accounts may be accepted based upon the specific circumstances of an account. Where the total value of cash and securities in a fee-based advisory account falls below the minimum initial investment requirement, Raymond James reserves the right to terminate the client's advisory account participation if Raymond James, in its discretion, determines that the account cannot be economically or effectively managed due to the small account size. Individual account minimums applicable to the wrap programs discussed in this brochure are available in the "Services, Fees and Compensation" section.

While certain account minimums are set for each advisory account program, the client's financial advisor may elect to recommend a program or investment strategy based on his or her understanding of and familiarity with the portfolio construction or services offered within a particular program. Because each advisory program is unique and offers a different bundle of services, the asset-based advisory fee paid by the client is allocated within the firm differently from one program to another. The compensation received by the financial advisor may be higher in a particular program relative to another, and this compensation may fluctuate based on certain minimum clearing or retention allocation rates assigned by the financial advisor's broker-dealer. These clearing and retention rates are a component of, and not in addition to, the overall advisory fee paid by the client, and generally are higher as a percentage of the overall advisory fee paid by the client for smaller accounts. As a result, a financial advisor may have a disincentive to recommend certain of the aforementioned advisory programs to clients with smaller accounts that otherwise would meet the

standard account minimum for each respective advisory program. Therefore, this may cause a conflict to exist with respect to available investment options and the level of investment diversification a client may achieve. To ensure the financial advisor is making appropriate recommendations, Raymond James monitors the suitability of existing advisory accounts on an ongoing basis by conducting various reviews, such as, account concentration and household account transaction activity.

## **ESTABLISHING MANAGED ACCOUNTS**

An account established under the American Funds, Eagle High Net Worth, Freedom, Freedom UMA, MDA, OSM, RJCS, RJRP and/or Russell Program is not considered “managed” pursuant to its respective investment management agreement until it has been fully funded to the minimum account level, or is otherwise fully funded, such as when retirement plan rollovers are complete. Additionally, all required account opening paperwork and/or documentation must be submitted and considered by Raymond James to be in good order. For example, AMS will not generally consider an account to be managed (or the advisory agreement to be effective) until all reasonable and necessary account paperwork has been submitted and processed by AMS and/or another functional area of Raymond James even though the account has otherwise been fully funded and a client-signed investment management agreement has been submitted to AMS. This would include accounts where necessary items such as a corporate resolution or IRA application are missing.

## **PROCESSING GUIDELINES FOR MANAGED ACCOUNTS**

AMS has established workflow procedures for managed accounts to improve the efficiency of various processing activities such as the opening of new accounts, SMA Manager/investment discipline/Strategy changes, the investment of cash contributions, disbursement requests, establishing and/or modifying periodic payment and investment plans, and account terminations. Processing times may differ based on documentation requirements, the types of securities being bought or sold and the level of complexity involved in each of these processes. As a result, clients should understand that the turnaround time necessary to process instructions or requests involving such activities may require several business days to complete under normal market conditions. Furthermore, clients should understand that any instruction or request they submit involving such activities is not considered a market order, and while delays may result due to the volume of similar requests received by AMS, any such instructions or requests will be processed by AMS in an efficient and timely manner.

For managed accounts funded with securities, AMS may perform or the client may instruct AMS to perform a keep/sell process, whereby AMS will determine if any of the securities will be kept or sold, which may require coordination with the SMA Manager in the case of RJCS or EHNW program accounts, if applicable. The keep/sell process may take several business days based on the number of Strategies and/or SMA Managers being utilized and the type of securities being reviewed. If the client elects to forego the keep/sell review, AMS will liquidate the securities as soon as is practicably possible. The turnaround time may require several business days based on the time of day of AMS’s receipt of the instructions, the type of securities being reviewed and/or sold and prevailing market conditions.

Contributions will be treated in the same manner as newly funded accounts. For distribution and termination requests, all efforts will be made by AMS to process such request(s) in an efficient and timely manner, but delays may result due to factors including, but not limited to, the volume of requests received, trade communication and coordination between AMS and the SMA Manager(s) and/or mutual fund company, open trades as of the request date and the types of securities involved. Resulting trades, if any, will be executed at then current market prices.

For the establishment of new accounts, SMA Manager/investment discipline/Strategy changes, disbursement and termination requests, Raymond James is not responsible for changes in market prices that occur between its receipt of such requests and trade execution. Managed accounts are typically model-based portfolios, so clients should be aware that disbursement requests, SMA Manager/investment discipline/Strategy changes and terminations may also be delayed if there are unsettled trades in the account. For example, Strategy changes or terminations involving managed account programs holding mutual funds may be delayed in the event AMS receives such instructions contemporaneous to or after program trades have been affected by AMS, as fund trades must fully settle with the mutual fund company before redemptions can be processed.

## **BROKERAGE PRACTICES**

As an SEC registered broker-dealer, Raymond James is often utilized to execute portfolio transactions for clients. These transactions, including compensation, are governed by SEC regulations, which provide disclosure requirements. In its role as a market maker, Raymond James from time to time buys or sells for itself securities that it or its affiliated dealers also recommends to its advisory clients.

As an SEC registered broker-dealer, Raymond James routes order flow through its broker-dealer. Raymond James is obligated to seek “best execution” pursuant to its fiduciary duty as an SEC registered investment adviser and in accordance with FINRA Rule 5310 for all trades it executes. However, better executions may be available via another broker-dealer based on a number of factors including volume, order flow and market making activity. As part of its fiduciary duties to clients, Raymond James endeavors to put the interests of its advisory clients first. Clients should be aware, however, that the receipt of economic benefits by Raymond James (or its related persons) in and of itself creates a conflict of interest. It is important to note that trades executed in advisory accounts by Raymond James acting as broker-dealer are generally effected with no commission. Clients participating in one (or more) of the advisory programs offered by Raymond James pay an asset-based advisory fee, and as a result, there is generally expected to be a cost advantage to clients when Raymond James effects trades versus those trades that are effected by another broker-dealer that charges a commission. However, clients should be aware that certain SMA Manager elect to have their trades executed by a broker-dealer

other than Raymond James and in many cases these trades may be assessed a commission by the executing broker-dealer. Please see “Directed Brokerage and Trade Execution – SMA Managers that Trade Away from Raymond James” for additional information.

On occasion, Raymond James may effect a transaction in which Raymond James acts as a broker for both the advisory client and the other party to the transaction. In such instances, Raymond James will obtain consent from the client, and it will disclose all material information concerning the transaction to the client, in accordance with the requirements of Rule 206(3) – 2 of the Advisers Act. Financial advisors are registered representatives of Raymond James, an SEC registered broker-dealer, and will recommend Raymond James to advisory clients for brokerage services. These individuals are subject to FINRA's Rule 3280 that restricts them from conducting securities transactions away from Raymond James. Therefore, clients are advised that such financial advisors are limited to conducting securities transactions through Raymond James. It may be the case that Raymond James charges a higher fee than another broker charges for a particular type of service, such as transaction fees. Clients may utilize the broker-dealer of their choice and have no obligation to effect transactions only through Raymond James. However, if the client does not utilize Raymond James as their broker-dealer, the financial advisor will generally not be able to accept the client's account(s).

## DIRECTED BROKERAGE AND TRADE EXECUTION

### Best Execution Obligations

As investment advisers registered with the SEC, Raymond James and SMA Managers are legally required to take all reasonable steps to obtain the best possible trading result for clients, taking into account a number of factors, including the price, costs, speed, likelihood of execution and settlement, size, nature, confidentiality and any other relevant considerations when executing orders on your behalf. The obligation to obtain the best possible trading results for clients is commonly referred to as “best execution”.

To comply with best execution obligations, Raymond James and each SMA Manager must evaluate the orders received in the aggregate and periodically assess the execution quality of the various competing markets, trading venues, dealers and the market makers to which the orders are routed for execution. As mentioned above, a range of different factors may be considered when obtaining best execution, so it is important to note that best execution does not expressly mean the lowest cost or best price. Other factors may take on equal or greater prominence when determining best execution, such as the need for timely execution, the nature of the transaction and market in which the security trades or the need for confidentiality in working trades to fulfill the order, among others.

Please note that Model Managers do not generally have a best execution obligation, except in isolated cases, as Raymond James maintains sole responsibility for trading activities. Conversely, an SMA Manager that directs an order to Raymond James for execution is independently responsible for satisfying its best execution obligations, as is Raymond James when executing such orders (that is, we are each responsible for best execution on such trades). SMA Managers that elect to direct a trade to a broker-dealer or trading venue rather than to Raymond James, or “trade away”, must make a determination that doing so satisfies their best execution obligation – that is, the SMA Manager and not Raymond James is in such cases solely responsible for satisfying its best execution obligation. SMA Manager trading away practices are discussed in further detail in the “SMA Managers that Trade Away from Raymond James” section below.

### Raymond James Trade Execution

Securities transactions in client accounts participating in the RJCS, RJRP, EHNW, MDA and Freedom UMA programs are generally effected on a “net” basis (that is, without commissions), and a portion of the wrap fee is generally considered as being in lieu of commissions. As such, there is generally no additional cost assessed by Raymond James when it executes these trades. Most securities recommended by SMA Managers are listed on an exchange or available in the over-the-counter market and executing transactions away from Raymond James would generally result in the client being charged an additional commission, markup or markdown, or spread without improving the execution quality. Given Raymond James' execution capabilities as a self-clearing broker-dealer (where it handles all aspects of trade execution and settlement versus having to outsource certain functions to a third party), the majority of trades involving client accounts can be executed competitively by Raymond James in relation to other broker-dealers, in conformance with its best execution obligations. However, discretionary SMA Managers may choose to select brokers and/or dealers other than Raymond James when necessary to fulfill their duty to seek best execution of transactions for their sub-advised clients' accounts. This arrangement may also create a financial incentive for SMA Managers to refrain from searching as actively among other securities brokers and dealers for best execution.

Clients should understand that, because Raymond James' services do not include selection of brokerage firms, the client will not necessarily obtain execution of transactions or brokerage rates as favorable as those which might be obtained through an SMA Manager that does undertake to select brokerage firms or to negotiate rates with those selected firms. Thus, a potential conflict of interest exists between the interest of clients in obtaining the lowest asset-based fee or commission rates and Raymond James' receipt of future referrals from the clients' broker-dealer.

Certain securities, such as over-the-counter stocks and fixed income securities, are primarily traded in dealer markets. These securities are directly purchased from or sold to a financial services firm acting as a dealer (or principal). Dealers executing such trades may include a commission, markup (on securities it sells) markdown (on securities it buys) or a spread (the difference between the price it will buy or “bid” for the security and the price at which it will sell or “ask” for the security) in the net price at which transactions are executed. Please note that the bid and ask are prices quoted by the dealer, so the client should understand that a dealer's bid price would be the price at which a client is selling their security, and the dealer's ask price would be the price at which a client is buying the



security. When Raymond James receives orders from SMA Managers for securities traded in dealer markets it normally executes those orders as agent with an unaffiliated dealer. In addition to the fees clients pay under the Investment Management Agreement, clients bear the cost (including any spread, markup or markdown, if any) of the unaffiliated dealer or trading venue charges. In limited circumstances, unaffiliated discretionary SMA Managers participating in the RJCS program may choose to purchase a security in the secondary market out of Raymond James' inventory. In these cases Raymond James may execute transactions in its capacity as a broker-dealer, and charge a markup, markdown and/or spread in the net price, but will only do so at the direction of the SMA Manager, consistent with regulatory requirements. The SMA Manager may either instruct Raymond James to execute transactions in client accounts on an agency or principal basis, but may also select brokers and/or dealers other than Raymond James when necessary to fulfill its duty to seek best execution of transactions for its sub-advised clients' accounts.

#### Trade Aggregation and SMA Manager Trade Rotation Practices

The RJCS, MDA and Freedom UMA programs are model-based, which generally means that an SMA or Model Manager's portfolio discipline will be comprised of a specific list of individual securities that will be purchased in all accounts that have selected that discipline. As a result, Raymond James or the SMA Manager or the client's financial advisor (if an Ambassador account) may determine that the purchase or sale of a particular security is appropriate for more than one client account. In such cases, Raymond James or the SMA Manager or the client's financial advisor (in the case of an Ambassador account) may decide to aggregate orders for multiple client accounts into one "block" order for execution purposes. Blocking orders generally seeks to obtain a more advantageous net price, potentially avoid an adverse effect on the price which could result from simultaneously placing a number of separate competing orders, and simplify the administration and efficiency of trading across a potentially large number of accounts. In the event a block transaction is effected by Raymond James or an SMA Manager or the client's financial advisor (in the case of an Ambassador account), the client will receive the average price of all transactions effected to fill the order. As a result, the average price received by the client may be higher or lower than the price that an individual client may have received had the transaction been effected for the client independently from the block transaction.

SMA Managers participating in the RJCS, MDA and Freedom UMA programs may also participate in other wrap fee programs sponsored by broker-dealers not affiliated with Raymond James. In addition, SMA Managers typically manage institutional accounts not referred through a directed brokerage or sponsor's wrap fee program, as well as act as an adviser to an open-end mutual fund(s). In the event an SMA Manager recommends or otherwise effects the purchase or sale of a security for all accounts within a particular discipline available through these programs, the SMA Manager may have to potentially effect similar transactions through a large number of broker-dealers or market centers.

Depending on the liquidity of the security and the size of the transaction, among other factors, SMA Managers may utilize a trade rotation process where one group of clients (for example, RJCS clients) may have a transaction effected before or after another group of the SMA Manager's other non-Raymond James clients, so as to limit the market impact of the transaction. For example, an SMA Manager's trade rotation process may result in RJCS clients being the first accounts in which a trade is aggregated and executed, and once completed, the SMA Manager will then "rotate" to the next set of clients or firm in their rotation; over time it is expected that Raymond James clients will eventually be last in the SMA Manager's rotation.

An SMA Manager's trade rotation process is developed and administered at their sole discretion, typically utilize a random selection process and is intended to equitably allocate transactions across the SMA Manager's entire client base so that each group of clients can expect over time to receive executions at the beginning, middle and the end of the rotation.

As a result, clients should understand that an SMA Manager's trade rotation process may result in a transaction being effected in their account that occurs near or at the end of the SMA Manager's rotation and such transactions may significantly bear the market price impact, if any, of those trades executed earlier in the SMA Manager's rotation.

Taking into account the size and scale of an SMA Manager's distribution reach (that is, how many firms such as Raymond James offer their investment disciplines, as well as whether the SMA Manager offers such disciplines directly to institutional investors and mutual fund companies), the development and implementation of a trade rotation process is directly linked with meeting their best execution obligation. There is no uniform standard or process employed within the investment management industry. As a result, certain SMA Managers may decide to employ a trade rotation process for all securities in their portfolio and trade only through the respective firm's sponsoring the managed account programs, while others may choose to employ a rotation process that includes making a determination to trade away from the sponsors frequently or on a majority basis. Additional information regarding each SMA Manager's trade rotation practices is available in the respective SMA Manager's Form ADV Part 2A.

Where a client has instructed Raymond James to terminate the SMA Manager or managed account, Raymond James will not liquidate portfolio securities unless otherwise communicated by Raymond James to the client in advance. Upon termination, the client may either liquidate their portfolio securities or may hold these securities in a brokerage account, as they may choose. Primarily as a result of the time constraints and lot sizes applicable to client-directed sale transactions, and the general unavailability of trade aggregation in connection with such sales, the prices received in client-directed transactions may be less favorable than the prices that could be attained for sales of securities selected by Raymond James and/or the SMA Manager as part of its ongoing discretionary account management.

#### SMA Managers that Trade Away From Raymond James

In the event an SMA Manager elects to utilize brokers or dealers other than Raymond James to effect a transaction in a recommended security ("trade away" from Raymond James), brokerage commissions and other charges for transactions not effected through Raymond James are generally charged to the client by the executing broker or dealer, whereas the wrap fee assessed by Raymond James covers the cost of brokerage commissions on transactions effected through Raymond James. The SMA Managers are not in a position to negotiate asset-based fee rates with Raymond James on behalf of their wrap fee clients, or to monitor or evaluate fee rates being paid by such clients or the nature and quality of the services they obtain from Raymond James. In the event an SMA Manager elects to trade away from Raymond James, those transactions are generally traded from broker to broker and are usually cleared without any commissions. However, the client should be aware that, in many cases, the executing broker or dealer frequently assess a commission or other charges to the transaction and such costs will be in addition to the wrap fee assessed by Raymond James. As a result, the net purchase or sale price reflected on trade confirmations provided by Raymond James on such trades reflect brokerage commissions or dealer markups or markdowns charged by the executing broker, that are not separately itemized by Raymond James. Additionally, investment disciplines of SMA Managers that elect to trade away from Raymond James will generally be more costly to clients than those disciplines of SMA Managers that elect to trade exclusively or primarily through Raymond James. Some SMA Managers have historically directed most, if not all, of their program trades to outside broker-dealers, and only maintenance trades are effected through Raymond James (maintenance trades being those resulting from individual new account openings, capital additions/disbursements, or account terminations).

In the selection of brokers or dealers to effect transactions, the SMA Manager should consider all relevant factors, including, among other things, the value of research services, execution capability, execution speed, execution efficiency, confidentiality, familiarity with potential purchasers or sellers, commission rates, financial responsibility, responsiveness or any other relevant matters. The SMA Manager can select brokers or dealers that provide the SMA Manager research or other transaction-related services and can cause the client to pay such brokers or dealers commissions or other transaction related fees in excess of those that other brokers or dealers charge, including Raymond James. Such research and other services may be used for other of the SMA Manager's accounts to the extent permitted by law. SMA Managers that specialize in fixed income, international, small-cap or exchange-traded product disciplines will be more likely to trade away from Raymond James due to market dynamics, liquidity, exchange availability, institution specialty or other factors they consider relevant in satisfying their best execution obligations to clients. Clients should understand that Raymond James does not evaluate whether an SMA Manager is meeting its best execution obligations to clients when trading away, as it is not a party to such transactions and is not in a position to negotiate the price or transaction related charge(s) with the executing broker. Raymond James does not discourage or restrict an SMA Manager's ability to trade away, as the responsibility to determine the suitability of trading away from Raymond James falls under the SMA Manager's individual fiduciary duty to clients and expertise in trading their portfolio securities.

As the potential exists that clients can be assessed additional costs when selecting an SMA Manager that elects to trade away from Raymond James, these SMA Managers have been identified in the Investment Discipline Selection section of the RJCS Investment Management Agreement for clients to consider during their selection process. Additional information describing the trading practices of Investment Managers participating in the RJCS Program, which also identifies SMA Managers that frequently traded away equity orders from Raymond James and the average additional costs associated with these trades is available on Raymond James' public website (see "Important Information Regarding Investment Manager Trading Practices" at [www.raymondjames.com/disclosure-trading-practices](http://www.raymondjames.com/disclosure-trading-practices), or a copy may be obtained from your financial advisor). While it is important for clients to have access to this information to aid in their decision making process, Raymond James believes it equally important that clients review the historical performance of these SMA Managers, which reflects these additional costs (that is, such performance presentations reflect the "net" price at which all transactions were effected, including those that were traded away). The "market" for fixed income securities is largely comprised of dealers that trade over the counter amongst themselves and very few securities trade on organized exchanges. Due to the structure of the fixed income market, the participating dealers do not currently, nor are they required to, disclose the markup, markdown or spread at which purchases and sales are effected. As a result, SMA Managers that trades fixed income securities away from Raymond James are unable to provide this information to Raymond James, and therefore Raymond James is currently unable to present such information to clients.

The advisory account programs discussed in this Wrap Fee Program Brochure are available only to clients of Raymond James, its affiliates and certain independent investments advisers for which Raymond James or its affiliates provide correspondent broker-dealer or administrative services. As such, clients do not generally have the opportunity to have transactions executed with broker-dealers other than Raymond James.

#### Managed Account Error Corrections

In the event a trade or handling error occurs for which Raymond James, the client's financial advisor, and/or an SMA or Model Manager is responsible, AMS will correct the error promptly without disadvantaging the client (that is, restore the client's account to the position it would have been in had the error not occurred). AMS maintains an error account which is used to facilitate trade error corrections and will generally move the affected securities to its error account and the correcting trades are netted when assessing the overall loss or gain associated with the correction. In certain instances, a trade error may be corrected in the client's account and, if applicable, the client will typically retain any gain from the correction. Any loss resulting from the correction of the trade error will be allocated to Raymond James, the financial advisor, and/or the SMA or Model Manager. In instances where a handling error occurs where a trade correction is not available or is impracticable (such as when the incorrect investment discipline is employed but is not identified promptly), AMS will reimburse the client any negative performance differential covering the period from the start of the error to the time the correction is made.

#### Managed Accounts Funded with Securities

Assets authorized by the client to be liquidated and the proceeds utilized to fund a managed account may not have a readily available or liquid secondary market. In the event Raymond James is unable to reasonably find a buyer in the market, the client should understand that such securities may be held in the managed account for a period of time while Raymond James attempts to satisfy the client's liquidation request. Clients should further understand that such securities are not being actively managed, nor is an advisory fee being assessed to these securities. Occasionally, and under limited conditions, Raymond James may agree to manage an account where managed assets are held in a custodial account which also holds non-managed assets for which a readily available secondary market exists. Clients must obtain advance approval for such an arrangement, and they do so with the understanding that Raymond James has no authority or responsibility regarding the investment, disposition, and monitoring of such non-managed assets. Losses sustained in connection with the investment or disposition of non-managed assets are the sole responsibility of the client.

If a client is funding a managed account with securities, a statement of the cost basis of the securities should be provided to Raymond James so that it can provide accurate gain/loss information. Securities that are deposited to fund an account are subject to Raymond James' or the SMA Manager's decision to keep or sell the securities, at the discretion of Raymond James or the SMA Manager. Additionally, Raymond James' or the SMA Manager's review of securities used to fund the managed account may delay initial investing. Raymond James may be unable to sell a security used to fund a managed account, due to a lack of liquidity in the security or the lack of a willing buyer or at a reasonable price. In such circumstances, the client will be advised and the security must be held in a non-managed account for the client to sell at a later date at their discretion.

Mutual fund share transfers from the funding account into a managed account may result in a delay of several days due to the re-registration of the mutual fund shares with the fund company. All securities used to fund a managed account will be transferred to the managed account for liquidation to avoid the client being assessed commissions on those liquidations.

Raymond James and/or the SMA Manager generally limits acceptance of a client's previously acquired securities ("legacy" securities) for initial account funding or contribution purposes. Raymond James and/or the SMA Manager generally evaluates such legacy positions and may sell all or a portion of such securities to the extent that such securities would not be included in Raymond James' and/or the SMA Manager's model portfolio holdings (keep/sell process). Unless otherwise requested in advance by the client and accepted by Raymond James and/or the SMA Manager, clients should expect that any such legacy securities used to fund a new, or contributed to an existing managed account, will be sold by Raymond James or the SMA Manager. Raymond James and/or the SMA Manager will generally liquidate legacy securities immediately in instances such as the following: 1) when legacy securities are used to fund new, or are contributed to existing, managed accounts, 2) in connection with investment discipline changes, and 3) when a client provides instructions to terminate and liquidate their managed account. AMS may coordinate such liquidations with the SMA Manager, where applicable, to limit the potential for price concessions, which may be more prevalent in debt securities traded in dealer markets.

Depending on the size and characteristics of the legacy position(s) and prevailing market conditions at the time of sale, among other potential factors, the client may receive a sale price that is less favorable than if the transaction involved a more marketable or liquid position. There is no assurance that Raymond James or the SMA Manager will be able to liquidate legacy securities due to a number of factors, including, but not limited to, the lot size of the legacy position (number of bonds), lack of willing buyers in the market, concession necessary to effect the sale transaction resulting in the bid price falling outside of the market range, among others.

## **CUSTODY**

As a registered broker-dealer, Raymond James generally maintains custody of client securities and other assets, unless the client and Raymond James otherwise mutually agree. When acting as custodian, Raymond James will deliver, not less than quarterly, an account statement to each client detailing their account's securities holdings, cash balances, dividend and interest receipts, account purchases and sales, contributions and distributions from the account and the realized and unrealized gains or losses associated with securities transactions effected in their account.

Clients are urged to review and compare all account statements and other reports provided by Raymond James and outside custodians (if applicable). If a client's account assets are held by a custodian other than Raymond James, the prices shown on a client's account statements provided by the custodian may be different from the prices shown on statements and reports provided by Raymond James due to the use of different valuation sources (pricing vendors) or reporting methodologies (trade date versus settlement date, accrued income, long or short margin balances, etc.) by the custodian and Raymond James. Clients should carefully review those account statements and compare them with any statements or reports provided by Raymond James.

## **ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION**

### **PERFORMANCE-BASED FEE ARRANGEMENTS**

Performance-based fee arrangements involve the payment of fees 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.

Raymond James does not manage any accounts or provide advisory services where it is compensated under a performance-based fee arrangement. In addition, Raymond James does not permit its financial advisors or other representatives to provide advisory services where their compensation will be paid pursuant to a performance-based fee arrangement.

## INVESTMENT DISCRETION

Investment discretion means, with respect to an account, the sole or shared authority (whether or not that authority is exercised) to determine what securities or other assets to purchase or sell on behalf of the account.

As previously discussed, clients selecting or maintaining a managed account through the Freedom, Freedom UMA or certain RJRP programs delegate investment discretion to Raymond James through its AMS Investment Committee. Those clients selecting or maintaining a managed account through the EHNW, RJCS, and/or certain RJRP programs managed by EPTS delegate investment discretion to the SMA Manager they have selected (or Raymond James for RJCS and MDA Model Managers). Those clients selecting or maintaining an advisory account through the Ambassador program may delegate investment discretion to their financial advisor (provided certain requirements are met). In all cases, the client's delegation of investment discretion to Raymond James will generally result in mutual fund prospectuses (and other regulatory mailings associated with mutual funds) being delivered to Raymond James as the mutual fund client for investment purposes. Raymond James will make such documents available to its clients upon request.

As authorized under the American Funds, EHNW, Freedom, Freedom UMA, RJCS, RJRP, MDA and Russell Investment Management Client Agreements, Raymond James is not required to obtain specific client consent regarding specific securities to be bought or sold. However, the client does select a specific investment discipline or strategy and Raymond James buys securities for the client's account in accordance with the investment objective of the client. Per the Investment Management Agreements, Raymond James or the SMA Manager assumes all investment duties with respect to assets held in the Investment Management Account and all investment powers including sole investment authority with respect to such assets. Raymond James or the SMA Manager invests and reinvests the assets of the Investment Management Account in such stocks, bonds, mutual funds or other property of any kind as it deems in the best interest of client to achieve the investment objective designated by client.

Raymond James may take any action or non-action as it deems appropriate, with or without further consent or authority from the client, and may exercise its discretion and deal in and with such assets exactly as fully and freely as the client might do as owner, except that Raymond James or the SMA Manager is not authorized to withdraw any money (other than asset-based fees payable by client), securities or other property either in the name of client or otherwise. Raymond James or the SMA Manager are free to sell securities in the account without regard for the length of time they have been held or the gain or loss that may be realized.

Raymond James or the SMA Manager is free to make investment changes without regard for the resulting rate of portfolio turn-over, when it, in its sole discretion, determines that such changes will promote the investment objective of the account. Clients should further understand that any securities used to fund a managed or discretionary account, or that are later deposited into the managed or discretionary account may be sold, thus creating a capital gain or loss depending on the client's costs basis in the securities. Clients should consult their tax advisor for advice on the tax implications of such transactions.

### FOR FREEDOM, FREEDOM UMA, EHNW, MDA, RJRP AND RJCS "MANAGED" ACCOUNTS:

Because Raymond James or SMA Managers manage accounts with full investment discretion, clients are not generally permitted to hold both managed and advisory assets in the same custodial account, assets subject to Raymond James' or the SMA Manager's investment discretion under the terms of the Managed Account Investment Management Agreement, and assets for which Raymond James/Manager has no discretion or authority.

## FINANCIAL ADVISOR AS DISCRETIONARY MANAGER

Ambassador accounts may be managed on a discretionary basis through certain financial advisors. Raymond James has established guidelines with respect to the standards necessary to manage a discretionary account, which generally include, but are not limited to, the following:

- Appropriately registered as an Investment Adviser Representative;
- Five years of experience in the securities industry;
- Certain minimum commissions/fees earned and client assets in the prior twelve months;
- No significant customer complaints or disciplinary action against the financial advisor; and
- Additional compliance and investment management training may be required. Certain relevant industry professional designations may be applicable.

Raymond James retains the right to determine financial advisor qualifications for managing discretionary accounts, regardless of whether they meet all of these guidelines and also reserves the right not to offer the accounts through financial advisors that otherwise meet these guidelines.

## INVESTMENT ADVISORY PROGRAM CLIENT NOTICE

Pursuant to Rule 3a-4 under the Investment Company Act of 1940, RJA provides the following notification to clients who have delegated investment discretion to Raymond James or an SMA Manager within the managed account programs:

Where Raymond James manages accounts on a discretionary basis, or delegates full investment discretion to an SMA Manager, specific client consent as to the securities and the amount of securities to be bought or sold is not obtained. However, clients may place reasonable restrictions on the inclusion of specific securities, or categories of securities, in their accounts. Clients may also request that

Raymond James or the SMA Manager sell, or avoid selling, particular securities for the purpose of realizing a capital loss or avoiding a capital gain.

Clients with an American Funds, Eagle, Freedom, Freedom UMA, MDA, OSM, RJCS, RJRP or Russell managed account(s) may impose reasonable restrictions on the investments made within their account(s), or reasonably modify existing restrictions they may have already imposed. Reasonable restrictions may include the designation of particular securities or types of securities that should not be purchased in their account (such as Company XYZ or companies involved in a particular industry, etc.), or should be sold if held in their account. However, since investment discretion has been delegated to Raymond James or a third-party SMA Manager, Raymond James or the SMA Manager may determine that the implementation of such a restriction may be impractical. If so, the client will be notified promptly. When accommodating an investment restriction, Raymond James or the SMA Manager may in its sole discretion select an alternative security in lieu of the restricted security, use the funds to invest in additional shares of the non-restricted portfolio holdings, or hold the funds in the client's cash sweep account. Raymond James cannot accept instructions to prohibit or restrict the purchase of specific securities or types of securities held within mutual funds or ETFs purchased by Raymond James or an SMA Manager on the client's behalf.

In addition, the client as owner of the securities in the account(s) has the right to:

- 1) Withdraw securities or cash from their account(s), provided they maintain the minimum account balance, as appropriate, based on their particular account type;
- 2) Vote securities, or delegate the authority to vote securities to another person (proxies, tender offers, etc.);
- 3) Be provided written confirmation, in a timely manner, of securities transactions placed for your account; and
- 4) Proceed directly against any issuer (class action participation) and not be obligated to join other parties as a precondition to initiating such a proceeding.

The above notice is provided to clients in their December, March, June and September brokerage statements as a reminder of their continuing rights with respect to the investment program(s) they have chosen. Since investment goals and financial circumstances change over time, clients should review their investment program at least annually with their financial advisor.

Should a client wish to impose or modify existing restrictions, or their financial condition or investment objectives have changed, they should contact their financial advisor or the Asset Management Client Services department at (800) 248-8863, extension 74991.

## **METHODS OF ANALYSIS**

The investment programs and strategies recommended to clients are based upon the client's investment objectives, financial situation and tolerance for risk, as identified during consultations with our financial advisors and other representatives. It is important for an investor to review investment objectives, risk tolerance, time horizon, tax objectives and liquidity needs with their financial advisor prior to selecting an investment product, program or strategy. All investments carry a certain degree of risk and no one particular security, investment product, investment style or portfolio manager is suitable for all types of investors.

Raymond James and its financial advisors recommend and offer a broad spectrum of investment products, programs and strategies. Given the number of financial advisors providing advice at Raymond James, the methods of analysis and investment strategies recommended will vary based upon the individual financial advisor making the assessment and providing the advice.

Raymond James and its financial advisors may employ one or more of the following methods of investment analysis:

**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's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

**Charting Analysis:** involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends. Charts may not accurately 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 and trends in the financial markets to predict the direction of both the overall market and specific securities.

**Cyclical Analysis:** a type of technical analysis that involves evaluating recurring price patterns and trends. The risk of market timing based on technical analysis is that charts may not accurately 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.

Sources of information may include Raymond James Research, financial publications and subscription services, research materials prepared by others, corporate rating services, annual reports, prospectuses and filings with the U.S. Securities and Exchange Commission.



## INVESTMENT STRATEGIES

Raymond James provides numerous investment management styles and strategies, including large and small cap equity, international equity, fixed income, and a broad spectrum of mutual funds and exchange traded funds, either individually or in combination. Generally, Raymond James recommends and provides clients a diversified investment strategy incorporating domestic and international equities, fixed income, and other alternative asset classes such as real estate and commodities. The exact composition of recommended programs and investment strategies will be determined by the client's legal and tax considerations and greatly influenced by the client's liquidity needs and tolerance for risk (portfolio fluctuations).

Raymond James also provides investment advice based on asset allocation strategies through the American Funds, Freedom, Freedom UMA, MDA, RJCS and Russell managed account programs sponsored by Raymond James. Third party asset allocation products or services may also be available through Raymond James.

Raymond James, through its financial advisors, may offer advice on collectibles, hard assets, fixed insurance, unit investment trusts, and business valuation and succession planning. Raymond James, through its advisors, may also offer non-publicly traded products, including non-listed real estate investment trusts, limited partnerships, hedge funds, equity funds and other structured products.

## PRINCIPAL RISKS

Investing in securities involves risk of loss that you should be prepared to bear. All investment programs have certain risks that are borne by the investor. Among others, 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:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

**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 (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 to 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, U.S. Treasury securities are highly liquid, while real estate properties are not.

**Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profit loss, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

**Correlation Risk:** This is the risk that the actual correlation (a statistical measure of how two or more variables move in relation to each other) between two assets (or variables) will be different than the correlation that was assumed or expected. Differences between the actual and expected correlation may result in a portfolio being riskier than was anticipated.

**Counterparty/Default Risk:** This is the risk that a party to a contract will not live up to (or default on) its contractual obligations to the other party to the contract.

**Valuation Risk:** This is the risk that an asset is improperly valued in relation to what would be received upon its being sold or redeemed at maturity.

**Tax Risk:** This is the risk that tax laws may change and impact the underlying investment premise or profitability of an investment.

**Cybersecurity risk:** Intentional cybersecurity breaches include unauthorized access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents

can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of customer data or funds, the inability to access electronic systems ("denial of services"), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause an investment fund, the advisor, a manager, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss.

**Technology Risk:** Raymond James must rely in part on digital and network technologies to conduct its business and to maintain substantial computerized data relating to client account activities. These technologies include those owned or managed by Raymond James as well as those owned or managed by others, such as financial intermediaries, pricing vendors, transfer agents, and other parties used by Raymond James to provide services and maintain its business operations. These technology systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond Raymond James' or its service providers' control. Technology failures, whether deliberate or not, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our clients and could result in, among other things, financial loss, reputational damage, regulatory penalties or the inability to conduct business.

### **AMS MANAGER RESEARCH & DUE DILIGENCE ("MANAGER RESEARCH")**

In conducting SMA Manager research and portfolio analysis, Raymond James utilizes a broad spectrum of information, including financial publications, third-party research materials, subscriptions to market data, analytic services, investment manager databases, and contact with affiliated and outside analysts and consultants.

Raymond James utilizes capital markets data provided by a third party investment consultant in constructing asset allocation models as part of its equity, fixed income and alternative investment strategies/models available in the Freedom, Freedom UMA and RJCS programs.

Standardized information on each SMA Manager is made available to clients prior to entering into an Investment Management Agreement. Potential SMA Managers are considered by Manager Research for participation in the RJCS program if they meet the following criteria:

- A well-defined investment style;
- Consistent absolute and relative risk adjusted performance results;
- Risks taken within acceptable bounds of investment objectives; and
- Complementary philosophy of the SMA Manager with the existing platform SMA Managers.

Other factors considered in the screening process include: low turnover of personnel; in-depth phone interviews with top personnel; personal visit to the SMA Manager's office; review of the firm's current ADV; no naked options, short sales or futures; and a cooperative, open attitude.

After an SMA Manager has been selected to participate in the RJCS program, Raymond James enters into a subadvisory agreement with the SMA Manager to provide investment advisory services upon their selection by a client. Manager Research conducts an ongoing, detailed analysis of the SMA Manager's portfolio(s). This analysis includes performance calculations, peer comparisons, and examination of portfolio characteristics and holdings. Manager Research's goal is to ensure the SMA Manager maintains adherence to their investment discipline while providing clients with quality investment decisions. The SMA Manager must annually complete an in-depth questionnaire which provides detailed information about their organization and the products that they offer. Further, an on-site visit is performed periodically to interview the firm's stock selector(s), analysts, and operations & client services personnel. Additionally, conference calls are periodically conducted between onsite visits. These calls are held with the key investment professionals of the firm and emphasize the SMA Managers' perspectives on current events, issues, and market conditions.

Performance information provided to Raymond James by SMA Managers is reviewed by Manager Research and compared to publicly available sources for reasonableness. However, SMA Manager-provided performance has not been independently verified by Raymond James and therefore its accuracy cannot be guaranteed. For all performance analysis provided to clients, AMS generally requires that SMA Managers utilize Global Investment Performance Standards ("GIPS", as set forth by the CFA Institute), for confidence in performance calculation methodology, but the information is not presented by Raymond James in GIPS format. Manager Research reviews and monitors performance of client accounts and compares this performance to the respective SMA Manager's applicable composite performance returns reported to third party consulting and database services to ensure uniform application of the SMA Manager's discipline and identify and reconcile performance dispersion, if any.

Raymond James conducts an initial review and a limited ongoing review of OSM Managers. The ongoing review is conducted semi-annually and is generally limited to changes in the OSM Manager's assets under management, recent disciplinary matters and a review of strategy performance in comparison to a relevant peer group or benchmark. Clients should be aware that the level of initial and ongoing review related to OSM Managers is not as comprehensive as the review of SMA and Model Managers available in the RJCS program that is conducted by Manager Research. In limited cases where an OSM Manager is also available as an SMA Manager in the RJCS program, Manager Research will conduct an in-depth review of that Manager as discussed in the previous paragraph, however, with a primary focus on the Manager's strategy(ies) available within the RJCS Program.

### **RISK CONSIDERATIONS FOR MANAGED**

Investors considering any equity or equity-weighted objective within the RJCS, Eagle High Net Worth, MDA, RJRP, Freedom or Freedom UMA programs should recognize that equity disciplines are managed primarily to achieve capital appreciation and are managed more aggressively than disciplines managed to achieve income. Thus, equity investors should be willing to tolerate short-term volatility and the greater possibility of the loss of capital than disciplines seeking current income. An equity investor's time horizon should generally be long-term, but not less than 3 years.

Investors considering a fixed income manager or discipline generally seek consistent returns with low risk, and their tolerance for risk/volatility will accept only infrequent, minimal losses. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. Because of the less volatile nature of the disciplines, a fixed income investor may have a shorter investment time horizon than equity and balanced investors, although the objective can accommodate investors with longer time horizons as well. Fixed income and bond fund investors should carefully consider risks such as interest rate risk, credit risk, liquidity risk and inflation risk.

Investors considering managers/objectives that primarily invest in high-yield fixed income, collateralized mortgage obligations ("CMOs"), asset-backed and/or convertible securities should be aware that additional risks exist with these types of investments. These securities may be rated below investment grade or not rated, which reflects the greater possibility that the financial condition of the issuer, or adverse changes in general economic conditions, may impair the ability of the issuer to pay income and principal. To the extent that no established secondary market exists, there may be thin trading of high-yield bonds, which increases the potential for volatility. Periods of rising interest rates or economic downturns may cause highly leveraged issuers to experience financial stress, and thus markets for their securities may become more volatile.

AAA-implied rated CMOs will have more volatility than AAA-rated Treasuries or corporate bonds during periods of rising interest rates because of negative convexity -- slowing prepayments causing increased duration, or "extension risk". CMOs may not be appropriate for some investors, especially if timing of return of principal is a primary concern. The yield and average life of a CMO will fluctuate, depending on the actual prepayment experience and changes in current interest rates. For example, a rise in interest rates may cause the duration and average life to greatly increase and cause a loss of value. Convertible securities combine the fixed characteristics of bonds and preferred stock with the potential for capital appreciation and may be subject to greater volatility than pure fixed-income instruments. The aforementioned securities may be illiquid when selling small positions and withdrawals may take several weeks.

Investors considering these programs should recognize that managers/disciplines which invest a portion or all of client assets with a sector emphasis may lead to increased volatility and a long-term time horizon of 5 or more years is recommended. Investors should also be aware that concentrated accounts, also known as non-diversified or focused accounts, generally have less than 15 stocks. Therefore, accounts may have over-weighted sector & issuer positions, and may result in greater volatility and risk.

SMA Managers or disciplines which invest a portion or all of a portfolio in the technology or biotechnology sectors may be more volatile than those investing in other sectors. The technology and biotechnology sectors have historically demonstrated higher volatility than many other sectors of the equity market. As a result, the securities selected within these portfolios will typically be more speculative in nature and thus have a greater potential for the loss of capital.

Investors considering small-cap managers or disciplines in which a portion or all of a client's assets are invested these disciplines should recognize that the issuers of these securities may not have the business experience or may have businesses that are still in the early stages of the business life cycle, may be less liquid, have lower trading volume and greater spreads between the purchase and sale price of the securities, and may experience greater volatility than securities with larger market capitalizations. The securities selected for these disciplines will typically be more speculative in nature and thus have greater potential for the loss of principal.

Investors considering an international/global manager or discipline in which a portion or all of a client's assets are invested in international securities should recognize that investing in international securities markets involves additional risks not typically associated with domestic securities. Exchange rate fluctuations, currency controls, political and economic instability, and greater volatility are risks commonly associated with international investing. Exchange rate risk between the U.S. dollar and foreign currencies may cause the value of investments to decline. Investing in emerging markets can be riskier than investing in well-established foreign markets. Prospective investors should carefully review their asset allocation objectives and risk tolerance before selecting a manager or discipline that invests internationally.

Certain SMA Managers may invest in Master Limited Partnership ("MLP") units, which may result in unique tax treatment. MLPs may not be appropriate for tax-qualified retirement accounts.

Investors considering an investment strategy utilizing alternative investments should understand that alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternative investments. These risks are potentially greater and substantially different than those associated with traditional equity or fixed income investments.

The use of derivatives such as swaps, commodity-linked structured notes and futures entails substantial risks, including risk of loss of a significant portion of their principal value, lack of a secondary market, increased volatility, correlation risk, counterparty risk, liquidity risk, interest-rate risk, market risk, credit risk, valuation risk and tax risk. Derivatives, primarily futures and forward contracts, generally have implied leverage (a small amount of money to make an investment of greater value). Because of this, extensive use of derivatives may magnify any gains or losses on those investments as well as the risk of any fund using derivatives.



The Freedom Completion Portfolios Alternative Investments Strategy invests in funds which utilize various non-traditional investments strategies, including those that employ trading techniques to “short” the market, those that include exposure to non-traditional asset classes such as commodity futures and currency forwards, or those that seek to capture the average risk and return of hedge funds through replication strategies. The goal of these alternative fund strategies is diversification through lower correlation to traditional securities, along with the added benefits of daily liquidity, transparency, and lower cost structure inherent in mutual funds. Due to the relative complexity of alternative strategies, allocations to the Alternative Investments Completion Portfolio should generally comprise no more than 20% of an investor’s total investment portfolio. Further, certain Freedom and Freedom UMA Strategies may employ the use of alternative investment mutual funds. Clients should consider their overall allocation to alternative investments when determining the appropriateness of such a Strategy.

Arbitrage strategies traditionally involve no net investment (although there is some margin or collateral that must be posted) by shorting a position and using the funds to purchase the same or similar position in another market. Common applications of arbitrage include convertible arbitrage, where a manager will buy the convertible bond and sell the stock or vice versa because of perceived mispricing. Another arbitrage strategy is merger arbitrage, where managers buy the new company and sell the acquirer.

Global macro strategies invest in financial derivatives and other securities, on the basis of movements in global financial markets. The strategies are typically based on forecasts and analysis about interest rate trends, movements in the general flow of funds, political changes, government policies, inter-government relations, and other broad systemic factors.

Hedge fund replication strategies attempt to replicate the beta (market risk) of the hedge fund market. These “alternative beta” funds employ sophisticated quantitative engines that use algorithms to determine which investments best explain the movement of the hedge fund index to produce a number of factors they feel drive the beta of the hedge fund universe. These funds typically have higher traditional market correlations but still maintain lower betas over volatile periods.

Long/Short is a strategy in which investment managers can go long (buy) and short (sell) stocks or bonds, but are traditionally focused on equity securities. Long/short funds offer the potential for upside participation with the ability to protect assets in difficult market environments and they exhibit varying levels of correlation to traditional markets.

Managed futures strategies utilize the global futures markets to implement their systems and take positions based on expected profit potential in a variety of futures including: currencies, commodities, interest rates and others. These strategies have been shown to produce very low correlations to the equity and fixed markets over time.

Markets for precious metals and other commodities have historically been volatile. There may be sharp price fluctuations even during periods when prices overall are rising, creating the potential for losses regardless of the length of time the shares are held, and therefore should only comprise a small part of a diversified portfolio. Among the factors that may affect the value of commodity investments are cyclical economic conditions, sudden political events, and adverse international monetary policies.

#### INVESTMENT CONSIDERATIONS FOR MANAGED ACCOUNTS OFFERED THROUGH AMS

It is important to review investment objectives, risk tolerance, tax objectives and liquidity needs before selecting an SMA Manager/investment discipline. In general, the following guidelines should be applied:

- The amount allocated to any one objective should be reasonable in light of overall asset allocation and the investor's overall investment goals.
- The investor's age, net worth and annual income should be compatible with their objective and primary goals.
- The investor's tolerance for risk and volatility should be reasonable in light of their objective and primary goals.
- The investor's time horizon should be consistent with his or her objective and goals.

The EHNW, RJCS, MDA and OSM account programs are considered separately managed accounts (“SMAs”) since either Raymond James or the SMA Manager manages the client’s account on an individual and segregated basis. SMAs may not be appropriate for all investors. SMA minimums are typically \$100,000 and greater, thus SMAs may be more appropriate for investors with \$300,000 or more to invest. While diversification may be achieved within an individual SMA, due to holdings typically numbering between 50 and 100 securities, it is recommended that clients utilize multiple SMAs with varied investment disciplines (growth, value, large-cap, mid-cap, etc.) to achieve greater diversification. However, clients are not limited in utilizing individual or style-specific SMAs as part of their overall portfolio allocation, where additional asset class or investment discipline exposure is addressed in non-SMA accounts. Diversification and asset allocation does not ensure a profit or protect against a loss.

The Freedom UMA Program may not be appropriate for all investors and is only available to affluent investors with \$300,000 or more to invest. A client investing the minimum amount will generally receive a less diversified portfolio than a client investing an amount that would qualify for a more diversified portfolio, based on pre-established minimums. However, diversification does not ensure a profit or protect against a loss.

#### SMA FUNDS AND MANAGER ETFs

Certain SMA Managers may invest a portion of a SMA client’s account, or include an allocation within in their Model Portfolio, in mutual funds affiliated with the SMA Manager. Raymond James generally limits such investments by SMA Managers due to the additional

fees and expenses typically associated with these securities (assessed by the mutual fund company or trust, such as management fees and operating expenses). However, should an SMA Manager wish to invest in or recommend such a mutual fund to achieve greater portfolio diversification than would generally be available by purchasing individual securities, particularly fixed income and international securities, Raymond James may accommodate such investments, provided the affiliated mutual fund is available exclusively for investment by SMA clients ("SMA Fund") and neither the SMA Manager nor their affiliate(s) may receive additional compensation as a result of investing in the SMA Fund. In addition, the SMA Manager, or the SMA Fund's affiliated Adviser/Trustee, must waive its management fee, and the SMA Manager/Sponsor must pay or reimburse the SMA Fund for the operating expenses of the SMA Fund, excluding certain extraordinary expenses that may be incurred. The SMA Manager may only receive compensation on SMA account assets via the SMA program's applicable asset-based fee. Additional information regarding SMA Funds is available in the SMA Manager's Form ADV Part 2A or equivalent disclosure document, and the SMA Fund's prospectus(es) and/or Statement of Additional Information, each of which are available from your financial advisor. Upon termination of an account holding SMA Fund shares, Raymond James will immediately redeem any shares, as these securities may not be held outside of an SMA account.

Clients or prospective investors organized as a registered investment company or other registered investment vehicle under the Investment Company Act of 1940 are not eligible to select an investment discipline that invests in SMA Funds. Please consult the RJCS Investment Management Agreement for a list of such investment disciplines. In the event a SMA Manager invests in an SMA Fund in an eligible discipline, clients should be aware the SMA Fund may have, at the time of investment or any time thereafter, relatively low assets under management. Depending on the total investment in such SMA Fund, eligible and participating RJCS program client accounts may collectively become a significant majority shareholder of the SMA Fund. This could result in potential illiquidity in the event the SMA Manager determines a program-wide redemption or liquidation is warranted, or RJCS recommends a termination of an investment discipline utilizing an SMA Fund. Additionally, firms other than Raymond James may offer the SMA Manager's investment discipline(s) utilizing SMA Funds, and in the event one or more of these firms recommend a termination of such investment discipline(s), the resulting SMA Fund redemption may impact the net asset value and performance of the remaining SMA Fund's shareholders, including, potentially, RJCS program clients.

Certain OSM Managers may invest in mutual funds affiliated with the OSM Manager. The use of SMA Funds by these OSM Managers is typically intended to improve the diversification of the portfolio holdings, where an investment in individual securities would be impractical or more costly (such as international and fixed income securities). As OSM clients have a direct investment management agreement with the OSM Manager, Raymond James does not stipulate or otherwise establish guidelines on when an OSM Manager may utilize such funds in their portfolios. Raymond James does not monitor the use of such funds by OSM Managers. However, additional information regarding the use of such funds by OSM Managers is available in the OSM Manager's Form ADV Part 2A or equivalent disclosure document, and the respective fund's prospectus(es) and/or Statement of Additional Information, each of which may be obtained from your financial advisor for your review.

Certain SMA Managers may elect to purchase exchange traded funds ("ETFs"), and generally do so when harvesting capital losses or when investing newly opened accounts. These ETF purchases are typically held for short periods of time in order to achieve market participation in lieu of cash or cash equivalent yields. In addition, a select number of SMA Managers utilize ETFs, which may include ETFs affiliated with the SMA Manager, as a primary or significant and ongoing part of their managed portfolios, in order to gain timely and broadly diversified access to specific asset classes or market sectors. SMA Managers that invest in ETFs affiliated with the SMA Manager ("Manager ETFs") may only invest in such ETFs where no management fees are assessed, or any applicable management fees are waived by the SMA Manager. Unlike SMA Funds, Manager ETFs may be held outside of an SMA account. Since Manager ETFs are exchange traded and available to the general investing public and not limited to SMA clients, the SMA Manager's utilization of Manager ETFs may create a conflict of interest for the SMA Manager or their affiliates due to the potential economies of scale that result from greater investment access and the SMA Manager's or their affiliates' desire to market their availability outside of an SMA account.

#### SHORT SALES

A sell transaction by a person that believes the price of a security will decline in value, though that person does not own the security at the time of the sale is considered a "short sale". Securities sold short must be repurchased at a later date. When clients sell a security short, Raymond James must borrow the security in order to make delivery on the client's behalf. The value of the shares borrowed and sold short is deposited by Raymond James with the security lender, and must be executed in a margin account. The shares may be called back by the lender at any time. If the borrowed shares are recalled and cannot be replaced, the position may be closed without prior notice. Clients are responsible for any dividend payments as long as the short position remains open in their account. This dividend charge should be included in any net profit or loss calculated for short sale transactions. Eventually the short sale must be covered by buying the same amount of borrowed shares for return to the lender. If the shares are able to be repurchased at a lower price than they were sold for, the profit is the price difference between the initial short sale and repurchase - not including the charges/interest for maintenance of the short position and taxes. However, if the value of the security increases subsequent to the initiation of the short sale, the loss is the price difference between the repurchase and initial short sale - again, not including the charges/interest for maintenance of the short position and taxes. Short selling is an advanced trading strategy with many unique risks and pitfalls. Novice investors are advised to avoid short sales because this potentially may result in unlimited losses. For example, the share price of a security can only fall to zero (limited profit), but there is no limit to the amount it can rise (unlimited loss). Stock exchange and federal regulations govern and limit the conditions under which a short sale may be made on a national securities exchange. Please refer to the "Other Compensation Arrangements" section for information regarding additional compensation received by Raymond James in connection with margin interest and short sales.

#### BUYING SECURITIES ON MARGIN AND MARGIN INTEREST

When clients purchase securities they may either pay for the securities in full or borrow part of the purchase price from Raymond James. Clients that choose to borrow funds for purchases must open a margin account with Raymond James, upon approval based on the firm's analysis of, among others things, the client's creditworthiness and the suitability of margin use by the client. The securities purchased on margin are the firm's collateral for the margin loan. If the securities in the client's account decline in value, so does the value of the collateral supporting the margin loan, and as a result, Raymond James may take action, such as issue a margin call and/or sell securities in the account, in order to maintain the required equity.

It is important that clients fully understand the risks involved in trading securities on margin (including selling short). Clients should be aware that margin borrowing involves additional risks. Margin borrowing will result in increased gains if the value of the securities in the account go up, but will result in increased losses if the value of the securities in the account goes down. Raymond James will have the authority to liquidate all or part of the account to repay any portion of the margin loan, even if the timing would be disadvantageous to the client.

Upon approval, where applicable, clients will receive a Truth In Lending Statement from Raymond James disclosing such risks, as well explaining the details and conditions under which interest will be charged, the method of computing interest and the conditions under which additional collateral may be required. Clients should understand that the extension of credit by Raymond James to clients will appear as a debit balance on the monthly brokerage statement.

While the value of the margined security will appear as a debit, clients with a margin balance in an account(s) in the Ambassador and/or OSM account programs will be assessed asset-based advisory fees based on the gross value of the account(s) without any offset for margin or debit balances. 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.

As a result of the foregoing, the client's financial advisor and Raymond James may have a financial incentive to recommend the acquisition of securities on margin or otherwise have margin credit extended (including selling short). In the event of such margin credit extension, the costs incurred by the client, as well as the compensation received by the client's financial advisor and Raymond James, will generally increase as the size of the outstanding margin balance increases. Please refer to the "Other Compensation Arrangements" section for information regarding additional compensation received by Raymond James in connection with margin interest and short sales.

Clients that purchase securities on margin 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 their 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.

#### OPTIONS CONTRACTS

An option is a contract that gives the client the right, but not the obligation, to buy or sell an underlying security at a specific price (i.e., strike price) on or before a certain date (i.e., expiration date). An option, just like a stock or bond, is a security. It is also a binding contract with strictly defined terms and properties. The two types of options available are calls and puts. A call option gives the holder the right to buy a security at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls believe that the stock will increase substantially before the option expires, and thereby allow them the option of buying the security at a price below the current market. A put option gives the holder the right to sell a security at a certain price within a specific period of time. Puts are similar to having a short position on a stock. Buyers of puts believe that the price of the stock will fall before the option expires, and thereby allow them the option of selling the security at a price above the current market.

People that buy options are called holders and those who sell options are called writers; furthermore, buyers are said to have long positions, and sellers are said to have short positions. Call holders and put holders (buyers) are not obligated to buy or sell. They have the choice to exercise their rights if they choose, although their options may be automatically assigned/exercised if the option is "in the money" (i.e., current price above the strike price for call options, or the current price is below the strike price for put options) at expiration and has not be closed out as of the expiration date. Call writers and put writers (sellers), however, are obligated to buy or sell. This means that a seller may be required to make good on a promise to buy or sell.

The price of an option is determined by many factors including: (1) the remaining life of the option, (2) the volatility of the underlying security, (3) the relationship between the strike price of the option and the market price of the underlying security, as well as (4) the underlying company's dividend payment record. With respect to option buyers, the client will be assessed asset-based advisory fees based on the value of the call or put option. With respect to option sellers, the client will be assessed asset-based advisory fees based on the absolute value of the call or put option and on the proceeds/premium received upon the writing of the option.

Clients interested in employing the use of options in their account must be approved in advance by Raymond James, and may require the use of margin for higher risk strategies. Options involve unique and potentially significant risks and are not suitable for everyone. Option trading can be speculative in nature and may carry substantial risk of loss. Raymond James limits the use of options to hedging strategies in managed and discretionary accounts (e.g., covered calls and put purchases with limited downside risk), although clients may employ, upon pre-approval by Raymond James, more sophisticated and higher risk option strategies in their non-managed/non-discretionary accounts based on their individual circumstances. On a limited basis, certain OSM Program managers will be allowed to offer more sophisticated option strategies to approved clients. Prior to accepting an account for options activity the client must be given the Option Disclosure Document titled "Characteristics and Risks of Standardized Options" and must complete and submit an Option

Agreement and Suitability Form for Raymond James review and approval prior to transacting option trades. Clients may only employ those strategies that have been approved.

#### **PROXY VOTING**

Rule 206(4)-6 of the Advisers Act places certain requirements on investment advisers that maintain proxy voting authority over client securities. The Rule requires, among other things, that advisers provide their clients with a description of their voting policies and procedures, disclose to clients where they may obtain a full copy of the adviser's policies and procedures, and disclose how they may obtain information about how their adviser voted with respect to their securities. Under the Rule, a registered investment adviser exercising proxy voting authority has a fiduciary duty to vote proxies in a timely manner and make voting decisions that are in the client's best interest.

For clients with a RJCS and/or EHNW account, per the terms of the Investment Management Client Agreement, AMS or the SMA Manager typically vote proxies on behalf of clients. SMA Managers classified as "Model Managers" provide AMS model portfolios representing securities recommended by the Model Manager ("Model Portfolios"). AMS typically votes proxies for Model Portfolios. However, the client may retain voting authority or delegate such authority to a third party, as they may choose. Unless otherwise directed by the client, AMS or the SMA Manager will either vote proxies directly or utilize a third party proxy voting service to submit votes. A description of the SMA Manager's proxy voting policies and procedures are available in their respective Form ADV Part 2A disclosure documents, which may be obtained through your financial advisor or by contacting Asset Management Client Services at (800) 248-8863, extension 74991.

For clients with an American Funds, Freedom, Freedom UMA, MDA or Russell account, per the terms of the Investment Management Client Agreement, the client generally authorizes Raymond James to vote proxies on the client's behalf. However, clients may retain this voting authority or delegate such authority to a third party, as they may choose. AMS has adopted procedures designed to promote the client's best interest and avoid potential conflicts of interest that may arise between Raymond James' interests and those of its clients. AMS utilizes a third-party proxy voting service, Glass Lewis & Co., to provide independent, objective research and voting recommendations. AMS has adopted Glass Lewis's "Investment Manager Guidelines", a voting methodology, which generally seeks to maximize shareholder value. However, AMS reserves the right to vote proxies in a manner different than that recommended by Glass Lewis if it believes doing so would be in the client's best interests, such as when securities may be subject to share blocking (short-term prohibitions on selling after voting which is typically associated with foreign securities). In addition, in the event Glass Lewis does not provide a recommendation as a result of cumulative voting rights or issues it believes necessitates case-by-case consent, AMS will review each issue individually and submit a vote as it deems to be in the client's best interest or abstain from voting when submitting a vote would be impractical. Otherwise, AMS will rely upon Glass Lewis's recommendation when submitting votes. A copy of AMS's Proxy Voting Policies and Procedures and a record of proxies that have been voted on the client's behalf are available upon request by contacting AMS Client Services at (800) 248-8863, extension 74991.

For clients with an Ambassador account(s), the client retains the right to vote all proxies solicited for the securities held in the client's account(s). Raymond James policy does not permit its financial advisors to vote proxies on behalf of advisory clients. Per the terms of the advisory Client Agreement, Raymond James will not take any action with respect to the voting of proxies on the behalf of an advisory client within these programs.

#### **INVESTMENTS IN ISSUERS SUBJECT TO LEGAL PROCEEDINGS**

Neither Raymond James nor the SMA Manager(s), where applicable, will render any advice to or take any actions on behalf of clients with respect to the initiation or pursuit of any legal proceedings, including bankruptcies and shareholder litigation, to which any securities or other investments transacted or held in client accounts, or the issuers thereof, become subject. The right to take any actions with respect to any legal proceedings, including bankruptcies and shareholder litigation, and the right to initiate or pursue any legal proceedings, including shareholder litigation, with respect to transactions, securities or other investments held in a client account is the client's sole responsibility.

#### **ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

The following information about the client is communicated by Raymond James to the wrap program client's SMA Manager (portfolio manager), if applicable, or collected by the client's financial advisor at the time the account is opened: name, social security/tax identification number, address, phone number, employer, occupation, date of birth, number of dependents, net worth, annual income, investment experience, retirement status, investment objective, risk tolerance and time horizon. The client is requested on an annual basis to update this information, which, if applicable, is promptly forwarded by the Raymond James to the client's discretionary SMA Manager (where applicable).

#### **ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS**

With the exception of the OSM Program, the Investment Management Agreement is exclusively between Raymond James and the client, and there is no direct agreement between the Manager and the client. Clients may contact the Manager, but generally do so through their financial advisor or the AMS Client Services department.

## ITEM 9 - ADDITIONAL INFORMATION

### DISCIPLINARY INFORMATION

Below is a summary of the material legal and disciplinary events against Raymond James during the last ten years. As of the date of this Wrap Fee Program Brochure, there are no such reportable events for our senior management personnel or those individuals in senior management responsible for determining the general investment advice provided to our clients.

Our firm operates as both a broker/-dealer and as an investment adviser. The disciplinary reporting requirements for broker-dealers and investment advisers differ in some ways, with FINRA requiring broker-dealers to report on matters which are not required to be reported by investment advisers (for example, pending complaints and arbitrations). The information in this report is not the only resource you can consult. You can access additional information about our firm and our management personnel on the SEC's website, located at [adviserinfo.sec.gov](http://adviserinfo.sec.gov), as well as FINRA's website, at [finra.org/brokercheck](http://finra.org/brokercheck).

Please note that in each instance described below, the firm entered into the various orders, consents and settlements without admitting or denying any of the allegations.

#### Auction Rate Securities ("ARS") Matters

In connection with ARS, our principal broker-dealers, Raymond James and Raymond James Financial Services, Inc. ("RJFS"), were subject to investigations by the SEC and certain states led by Florida's Office of Financial Regulation, and the Texas Securities Board regarding the sale of ARS. On June 29, 2011, Raymond James and RJFS finalized settlements with the SEC and other regulatory authorities, concluding investigations by the regulators into Raymond James' and RJFS's offer and sale of ARS.

The SEC alleged that Raymond James violated Section 17(A)(2) of the Securities Act of 1933, and certain states alleged that Raymond James violated various state securities statutes when it offered and sold to some of its customers auction rate securities ("ARS") while not accurately characterizing or while failing to adequately disclose the true nature and risks associated with these investments. Although Raymond James' ARS trade confirmations disclosed the risk that ARS auctions could fail and that Raymond James was not obliged to ensure their success, at the point-of-sale, a handful of Raymond James' financial advisors inaccurately described ARS as alternatives to money market funds and other cash-like investments, without adequately disclosing the auction process or the risk of illiquidity if these auctions failed. On February 13, 2008, a significant number of ARS auctions failed, resulting in an overall market collapse that left thousands of investors, including some of Raymond James' customers, holding ARS that they had, in some instances, not been able to liquidate.

Without admitting or denying the allegations, Raymond James consented to an order to cease and desist, a censure, and the following undertakings: (i) to purchase eligible ARS held by eligible customers; (ii) to use its best efforts to provide institutional money managers opportunities to liquidate their eligible ARS; (iii) to use its best efforts to identify and locate customers who purchased eligible ARS at Raymond James but who transferred such eligible ARS away from the firm prior to January 1, 2006; (iv) to identify, and repay excess expenses and reasonable interest incurred by eligible customers who took out loans from Raymond James after February 13, 2008 secured by eligible ARS that were not successfully auctioning at the time the loan was taken and who paid interest associated with the ARS-based portion of those loans in excess of the total interest and dividends received on the eligible ARS during the duration of the loan; (v) to use its best efforts to identify any customer who purchased eligible ARS on or before February 13, 2008; and subsequently sold those eligible ARS below par between February 13, 2008 and June 29, 2011, and to repay the customer any difference between par and the actual price at which they sold or redeemed the eligible ARS, plus reasonable interest; and (vi) to participate, at the election of an eligible customer, in the special arbitration procedures announced by FINRA on December 16, 2008, for the exclusive purpose of arbitrating an eligible customer's claim for consequential damages against the firm related to their ARS investment.

No fines were imposed by the SEC under the settlement agreement. A fine in the amount of \$1.75 million was imposed by the state regulators. States and territories involved in the settlement includes Florida, Texas, Alabama, Alaska, Arkansas, Colorado, Delaware, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Dakota, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, U.S. Virgin Islands, Washington, Washington D.C., West Virginia, Wisconsin and Wyoming.

#### Securities and Exchange Commission ("SEC")

- The SEC determined that Raymond James failed to adopt and implement adequate policies and procedures designed to collect, track and disclose commissions attributable to certain equity transactions executed away from Raymond James by SMA Managers selected by clients participating in the Raymond James Consulting Services separately managed account program (RJCS). As a result, Raymond James' ability to determine whether recommendations of SMA Managers in the RJCS program would be suitable for its clients may have been impaired, and the ability of clients to engage in meaningful negotiations regarding the RJCS program's wrap fees may have been negatively affected. Raymond James consented to the SEC's findings, without admitting or denying that it violated certain provisions of the Investment Advisers Act of 1940, including Section 206 and Rule 206(4)-7 thereunder. On September 8, 2016 Raymond James consented to

the findings and agreed to pay a civil monetary penalty of \$600,000, and will comply with certain undertakings related to its commission disclosure practices, including the reporting to clients of equity trades executed by firms other than Raymond James and the associated costs assessed by these firms, enhanced disclosures related to the practice of trading away from Raymond James and enhanced monitoring of SMA Managers that trade away from Raymond James.

- On September 17, 2019, Raymond James & Associates, Inc., Raymond James Financial Services, Inc., and Raymond James Financial Services Advisors, Inc. (collectively, "Raymond James") settled a matter with the SEC where Raymond James had not properly conducted suitability reviews for certain advisory accounts, had inadvertently overvalued certain assets that resulted in charging excess advisory fees, did not consistently have a reasonable basis for recommending certain unit investment trust ("UIT") transactions to brokerage customers, and failed to disclose the conflict of interest associated with earning greater compensation when recommending certain securities without providing applicable sales-load discounts to brokerage customers. The issues occurred at various time from January 2013 through May 2018, and not every account was impacted by these issues.

Raymond James promptly undertook a number of remedial efforts, which included voluntarily retaining compliance consultants to comprehensively review its UIT transactions and advisory valuation practices, and revising its policies and procedures regarding the supervision of advisory accounts. Without admitting or denying the SEC's findings, Raymond James will pay restitution of \$11,098,349.01 and interest of \$1,072,764.80. Raymond James will also pay a civil money penalty in the amount of \$3,000,000 to the SEC. On September 3<sup>rd</sup>, Raymond James sent notices of pending credits to impacted clients. Certain states including Michigan (which fined RJA in the amount of \$50,000) have made inquiries into this matter as well.

#### Financial Industry Regulatory Authority ("FINRA", the successor to NASD Regulation)

- FINRA alleged that Raymond James violated FINRA Rule 2010 and NASD Rules 2110, 2510(d)(1), 3010 and 3110 by: (i) failing to mark "Time and Price Discretion" on order ticket in accordance with order ticket designation requirements, causing the firm to maintain inaccurate books and records; (ii) failing to update certain of its electronic order management systems to satisfy the specificity requirements; (iii) failing to exercise reasonable supervision by not having adequate systems or procedures in place to cause the firm to be in compliance with these requirements and produce certain order ticket data in connection with regulatory requests. On January 11, 2010 Raymond James consented to the described sanctions and entry of findings and was ordered to pay a fine in the amount of \$100,000 and required to commence a thorough review of its practices and procedures concerning compliance with the rules identified herein.
- FINRA alleged that Raymond James violated FINRA Rule 2010, NASD Rules 2110, 2440, 3010, and Interpretive Material 2440-1 by utilizing an automated commission schedule that failed to ensure that resulting commissions were fair and reasonable when executing orders primarily in low-priced securities. As a result, FINRA alleged the firm's failure to take into consideration the factors delineated in Interpretive Material 2440-1(B) led to \$893,888.69 in excessive commissions being charged. On September 29, 2011 Raymond James consented to the described sanctions and entry of findings and was censured, ordered to pay a fine in the amount of \$225,000, pay restitution in the amount of the excessive commissions, plus interest, and required to pay restitution to customers not identified during the examination but otherwise covered under the allegations for the period between the conclusion of FINRA's examination and the firm's implementation of its revised automated commission schedule.
- FINRA alleged that Raymond James violated FINRA Rule 2010, NASD Rules 2110 and 2320 by failing to execute orders fully and promptly and in many of these transactions for or with a customer, it failed to use reasonable diligence to ascertain the best inter-dealer market and failed to buy or sell in such market so that the resultant price to its customers was as favorable as possible under prevailing market conditions. On September 23, 2011 Raymond James consented to the described sanctions and entry of findings and was censured, ordered to pay a fine in the amount of \$12,500 and restitution in the amount of \$1,849.33, plus interest.
- FINRA alleged that Raymond James violated NASD Rules 2110 and 3010, and Rules 10(A) and 30 of Regulation S-P under the Securities Exchange Act of 1934 in connection with the disclosure of clients' personally identifiable information ("PII") by branch personnel to a non-affiliated third party without offering clients whose PII was provided an opportunity to opt-out of this disclosure in accordance with Regulation S-P. Some of this information subsequently became searchable on the internet. Raymond James immediately took corrective action to have the PII removed from the internet. In a separate incident, a Raymond James approved vendor mailed clients letters in which PII (an account number) was included on the envelope. In both incidents, Raymond James contacted affected clients with an offer of free credit monitoring and protection services. Raymond James has amended its written supervisory procedures in connection with the protection of PII and conducted mandatory training in the protection of PII to all associated persons, including branch office personnel. On September 13, 2012, Raymond James consented to the entry of findings and was censured, and ordered to pay a fine in the amount of \$250,000. To the firm's knowledge, no clients affected by the PII breaches have suffered any instances of identity theft or other actual damages.
- FINRA entered findings that Raymond James violated Municipal Securities Rulemaking Board ("MSRB") Rules G-17, G-27 and G-30(a) by: (i) engaging in 37 municipal securities transactions with certain of its brokerage clients at prices (including any mark-down or mark-up) that were not fair and reasonable, taking into account all relevant factors, including

the firm's best judgment as to the securities' fair market value at the time of the transaction, the expense involved in effecting the trades, profit considerations, and the total value of the securities traded; and (ii) failed to reasonably design supervisory procedures to ensure it met its fair pricing obligations. On March 4, 2013, without admitting or denying FINRA's findings, Raymond James consented to the entry of findings and to the following sanctions, including a censure, a fine in the amount of \$75,000, payment of restitution to affected clients in the amount of \$25,603.28, plus interest, and an undertaking to revise its written supervisory procedures concerning municipal securities fair pricing requirements.

- FINRA entered findings that Raymond James violated Rule 10 of Regulation S-P under the Securities Exchange Act of 1934, FINRA Rules 2010 and 3110(a) and NASD Rule 3010(a) and (b) by causing certain newly-recruited registered representatives from other brokerage firms ("recruits") to disclose customers' personally identifiable information ("PII") to pre-populate Raymond James forms to aid in the transition of their accounts to Raymond James and its RJFS affiliate. The findings state that Raymond James failed to: (i) determine whether the recruits or their brokerage firms had obtained the clients' consent to share their PII, or provide these clients with notice of, and an opportunity to opt-out of Raymond James coming into receipt of their PII; (ii) establish and maintain reasonable written supervisory procedures to ensure compliance with Regulation S-P; (iii) prevent the improper solicitation of PII from recruits; (iv) adequately educate and train its staff on what constituted PII and the circumstances in which it can be shared; and (v) demonstrate that its written supervisory procedures were being followed and enforced. On March 8, 2016, without admitting or denying FINRA's findings, Raymond James consented to the entry of findings and to the following sanctions, including a censure, a fine in the amount of \$500,000, and an undertaking to revise as necessary its policies, procedures and internal controls.
- FINRA entered findings that Raymond James and its Anti Money Laundering ("AML") Compliance Officer failed to: (i) establish and implement policies, procedures and supervisory systems to reasonably detect and cause the reporting of suspicious transactions; (ii) commit adequate resources to its AML program in light of the firm's growth; (iii) adequately investigate suspicious activities its AML program did identify; (iv) reasonably enforce due diligence procedures for certain correspondent accounts of certain foreign financial institutions; and (v) establish, maintain and enforce a supervisory system reasonably designed to achieve compliance with Section 5 of the Securities Act of 1933 with respect to low priced securities. On May 18, 2016, Raymond James consented to the entry of findings and to the following sanctions, including a censure, a fine in the amount of \$8,000,000, and an undertaking to conduct a comprehensive review of its AML and supervisory policies, procedures, systems and training, and provide FINRA a report addressing: (i) the adequacy of its policies, procedures, systems and training; (ii) a description of the review that was performed and conclusions reached; and (iii) recommendations for modification and additions to the firms AML program.
- FINRA entered findings that Raymond James violated FINRA Rule 2010 and NASD Rule 3010 by failing to establish and maintain a reasonable supervisory system and related procedures in connection with its trading in convertible bonds. On March 2, 2017 Raymond James consented to the described sanctions and entry of findings and was censured, ordered to pay a fine in the amount of \$180,000 and ordered to revise its written supervisory procedures concerning the monitoring of its trading in convertible bonds.
- On November 6, 2019, FINRA entered findings that RJA, in its separate capacity as a broker-dealer, violated MSRB Rule G-27(a), (b), and (c) by failing to establish and maintain a supervisory system and establish, maintain, and enforce written supervisory procedures, reasonably designed to supervise representatives' share-class recommendations to customers of 529 savings plans during the period of January 1, 2008 through March 31, 2017. RJA consented, without admitting or denying the findings, to the entry of a censure and agreed to pay restitution in the estimated amount of \$3,828,304 to certain 529 plan customers. As a result of RJA's extraordinary cooperation to FINRA's investigation, this matter was resolved without a monetary fine.

#### New York Stock Exchange, Inc. ("NYSE")

- The NYSE determined that Raymond James failed to report positions to the Large Options Position Report (LOPR) and inaccurately reported positions in other cases. The findings stated the Raymond James LOPR reporting violations primarily resulted from its entry of an incorrect effective date when submitting certain options positions to the LOPR and its failure to properly aggregate certain of its reportable options positions. The findings also stated that the firm failed to have a reasonable supervisory system with respect to the reporting of options positions, including a review for accuracy of LOPR submissions with respect to effective dates and accounts acting in concert. Additionally, until November 2015, the firm lacked any written supervisory procedures with respect to the proper reporting of options positions, including systems of follow-up and review, and thereafter, failed to have adequate written supervisory procedures until January 2017. On May 8, 2018, Raymond James was censured and fined a total of \$400,000, of which \$200,000 was paid to NYSE ARCA, Inc. and the remaining amount was paid to NYSE American, LLC. Additionally, Raymond James will submit a written report confirming it has completed remediation of all the LOPR issues identified within 120 days of May 8, 2018.
- The NYSE determined that during the period from January 1, 2014, through August 31, 2016, Raymond James violated certain provisions of the Market Access Rule for institutional counterparties for which Raymond James provides trade execution and clearing services, namely: (1) Rule 15c3-5 of the Securities Exchange Act of 1934, by failing to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage the financial and regulatory risks of its business activity; and (2) NYSE Rule 3110 and former NYSE Rule 342, by failing to establish and maintain a supervisory system reasonably designed to achieve compliance with applicable laws,



rules, and regulations, in connection with its: (1) calculation and implementation of certain customer credit limits; (2) determination of certain erroneous order controls; and (3) conducting of annual reviews. Raymond James was censured and consented to a \$400,000 fine on October 19, 2018.

#### State of Florida

The State of Florida alleged that Raymond James did not maintain accurate books and records, properly supervise representatives, and maintain and enforce effective policies and procedures to prevent violations of securities laws and regulations for the Sun City Center, Florida branch location. Additionally, Raymond James made discretionary transactions in customers' accounts without written authorization. On October 8, 2018, the firm was ordered to cease and desist from all future violations of Chapter 517, F.S. and the administrative rules thereunder and to pay an administrative fine in the amount of \$1,000,000. Raymond James also agreed to fully cooperate in any additional investigations or administrative actions related to the employees of the Sun City Center branch.

#### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Raymond James is a broker-dealer and an investment adviser registered with the Securities and Exchange Commission ("SEC") and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). Raymond James is also a member of the New York Stock Exchange and various exchanges in the U.S. Raymond James is a wholly-owned subsidiary of Raymond James Financial, Inc. (NYSE-RJF), a publicly owned holding company.

On December 3, 2015, Raymond James Financial, Inc. ("RJF") entered into an asset purchase agreement to acquire the U.S. Private Client Services unit of Deutsche Asset & Wealth Management, a division of Deutsche Bank Securities, Inc. ("DBSI"). Under this agreement RJF's Raymond James affiliate acquired DBSI's Private Client Services business, and subject to each DBSI client's consent, the investment advisory accounts serviced by that business. The closing of the purchase occurred September 6, 2016, at which time DBSI transferred the accounts to Raymond James. Financial advisors previously affiliated with the DBSI's U.S. Private Client Services unit that joined Raymond James will conduct business under the Alex. Brown division of Raymond James.

Raymond James, through RJF, is affiliated with Raymond James Financial Services, Inc. ("RJFS"), which is registered with the SEC and FINRA as a broker-dealer, and Raymond James Financial Services Advisors ("RJFS Advisors"), which is registered as an investment adviser with the SEC. Raymond James acts as the clearing firm for those accounts and securities transactions introduced by RJFS and RJFS Advisors. Raymond James offers its investment advisory services through various advisory account programs to its clients through financial advisors of Raymond James, the Alex. Brown division of Raymond James, RJFS Advisors and certain correspondent firms and unaffiliated investment advisers. Raymond James provides administrative services through the Ambassador and OSM account programs, and financial planning and investment consulting services to clients through financial advisors of Raymond James, Alex. Brown, RJFS Advisors, and certain correspondent firms and unaffiliated investment advisers.

On occasion, there may be instances in which a financial advisor of Raymond James will establish a portfolio management or consultation relationship with a financial advisor of RJFS Advisors. The Raymond James financial advisor will also be a registered securities representative of Raymond James. The Raymond James financial advisor may act in a consulting role to the client, who has been referred by a financial advisor of RJFS Advisors. However, the reverse is also true, in that the Raymond James financial advisor may act as the client's primary advisory representative and may refer the client to a financial advisor of RJFS Advisors, who serves as their consultant. Depending on who is serving as the client's primary advisory representative, the client will be charged an advisory fee by the Raymond James or RJFS Advisors financial advisor, which is shared with the affiliated financial advisor.

Raymond James, through our financial advisors, may suggest or recommend that clients use our securities account, execution and custody or other services, or such services of an affiliate. Similarly, financial advisors who also handle clients' brokerage accounts, may suggest or recommend that you purchase our products or our affiliates' products. In certain circumstances, if you choose to use your financial advisor in his or her individual capacity as an insurance agent, Raymond James and the financial advisor will receive a commission or trail. When you use or purchase Raymond James' or our affiliate's services or products, Raymond James and our affiliates will receive fees and compensation. Financial advisors may, as permitted by applicable law, receive compensation (the amount of which may vary) in connection with these products and services.

We address these conflicts in a variety of ways, including, disclosure of various conflicts in this brochure. Moreover, our financial advisors are required to recommend investment advisory programs, investment products and securities that are suitable for each client based upon the client's investment objectives, risk tolerance and financial situation and needs. In addition, we have established a variety of restrictions, procedures and disclosures designed to address conflicts of interest – both those arising between and among accounts as well as between accounts and our business.

Through RJF, Raymond James is also affiliated with the following broker-dealers, investment advisers, mutual funds, bank, limited partnerships and insurance agency:

- a. Carillon Tower Advisers, Inc. ("CTA") is a wholly owned subsidiary of RJF. CTA is a corporation registered as an investment adviser with the SEC providing investment advisory services to the Carillon Family of Mutual Funds (formerly known as the Eagle Family of Mutual Funds) – a group of open end mutual funds registered as Investment Companies with the SEC. CTA will select affiliated advisers to invest the assets in accordance with the mutual fund's investment objective and strategies. Each affiliated adviser is responsible for the investment decisions made on behalf of its respective mutual fund. Additionally, CTA



provides investment advisory services to a group of non-registered investment companies ("Hedge Funds") called the Carillon Tower Series Hedge Fund, LLC. CTA selects affiliated advisers to invest the assets of each Series in accordance with that Series' investment objective and strategies. Each affiliated adviser is responsible for the investment decisions made on behalf of its respective Series.

- b. Eagle Asset Management, Inc. ("Eagle") – is a wholly owned subsidiary of CTA. Eagle is an investment adviser registered with the SEC, and acts as an investment adviser to individuals, corporations, foundations, pension and profit sharing plans, state and municipal government entities. Eagle also acts as a subadviser to the Carillon Family of Mutual Funds. Additionally, Eagle is a subadviser to various investment companies and wrap programs with affiliated (through the RJCS and EHNW programs) and unaffiliated broker dealers. CTA provides certain administrative, marketing, and compliance services to Eagle for a monthly fee.
- c. Scout Investments Inc. ("Scout") is a wholly owned subsidiary of CTA. Scout is an investment adviser registered with the SEC and acts as an investment adviser to mutual funds, corporations, foundations, pensions and profit sharing plans, state and municipal government entities. Reams Asset Management ("Reams") is the fixed income division of Scout. Scout/Reams also acts as a subadviser to the Carillon Family of Mutual Funds. CTA provides certain administrative, marketing and compliance services to Scout/Reams for a monthly fee.
- d. ClariVest Asset Management LLC ("ClariVest") is an investment adviser registered with the SEC and 100% owned by affiliated investment adviser, Eagle Asset Management. CTA has contracted with ClariVest to provide investment management services for the Carillon Tower Series Hedge Fund Micro Cap Market Neutral Fund. ClariVest also acts as subadviser to various investment companies, including the Carillon Family of Mutual Funds.
- e. Cougar Global Investments Limited ("Cougar") - A corporation headquartered in Toronto, Canada, registered and regulated by the Ontario Securities Commission and is registered as a non-resident adviser with the SEC. Cougar provides advisory services to individuals, charitable organizations, corporations, and other investment advisers. Cougar acts as subadviser to various wrap programs with affiliated (through the RJCS program) and unaffiliated broker dealers. Cougar also acts as a subadviser to the Carillon Family of Mutual Funds. Cougar is a wholly-owned subsidiary of Raymond James International Canada.
- f. Carillon Fund Distributors Inc. ("CFD") is Eagle's wholly owned subsidiary. CFD is the Carillon Family of Mutual Fund's principal underwriter and distributor. In addition to selling the Carillon Family of Mutual Funds to its clients, CFD enters into selling agreements with other affiliated and unaffiliated broker-dealers and other financial intermediaries to distribute and provide other services relative to the purchase of fund shares.
- g. Carillon Fund Services, Inc. ("CFS") is a wholly owned subsidiary of CTA. CFS provides certain shareholder services for the Carillon Family of Mutual Funds in conjunction with U.S. Bancorp Fund Services LLC, the transfer and dividend disbursing agent for the Carillon Family of Mutual Funds.
- h. Carillon Family of Mutual Funds – 

	Affiliated Manager(s)
Carillon Eagle Growth & Income Fund	Eagle
Carillon Eagle Small Cap Growth Fund	Eagle
Carillon Eagle Mid Cap Growth Fund	Eagle
Carillon ClariVest Capital Appreciation Fund	ClariVest
Carillon ClariVest International Stock Fund	ClariVest
Carillon Cougar Tactical Allocation Fund	Cougar
Carillon Reams Core Bond Fund	Scout/Reams
Carillon Reams Core Plus Bond Fund	Scout/Reams
Carillon Reams Unconstrained Bond Fund	Scout/Reams
Carillon Scout Mid Cap Fund	Scout
Carillon Scout Small Cap Fund	Scout
Carillon Scout International Fund	Scout
- i. EB Management I, LLC – An investment adviser which acts as General Partner to the Aggressive Growth Partners I limited partnership, which was formed for investment purposes. Eagle holds a 51% ownership interest in EB Management I, LLC and provides administrative and investment research services for the Partnership. Certain officers and employees of Eagle have investment interests in the Partnership.
- j. Raymond James Insurance Group, Inc. (formerly Planning Corporation of America, Inc.) – A wholly owned subsidiary of RJF which acts as a general insurance agent in connection with the sale of disability, life and long-term care insurance, fixed, indexed and variable annuities to individual, institutional and corporate clients.
- k. Raymond James Bank, N.A. – A wholly owned subsidiary of RJF, which may provide banking and financial services to Raymond James clients. Cash balances for investment advisory accounts may be maintained at RJ Bank and are required to be maintained there for ERISA, IRA and SEP accounts.
- l. Raymond James Trust, N.A. – A wholly owned subsidiary of RJF, offering personal trust services, including serving as trustee or as an agent or custodian for individual trustees. Raymond James Trust also serves living trusts, charitable remainder trusts, life insurance trusts, specialty trusts and IRA rollover trusts.
- m. RJF holds a majority interest in investment businesses in foreign countries, including the British Virgin Islands, France, Germany, and the United Kingdom.
- n. Raymond James Investment Services Limited – A wholly owned subsidiary of RJF which acts as the primary business unit offering investment management services to European clients.
- o. Raymond James Ltd. ("RJL") – RJL is Raymond James' Canadian broker-dealer affiliate and is an investment dealer under the Securities Act (British Columbia) and a member of the Investment Industry Regulatory Organization of Canada.

- p. Raymond James Financial Planning Ltd. ("RJFP") – RJFP is a wholly owned subsidiary of RJL and provides insurance services and products to Canadian clients. RJFP is a full service independent insurance broker with the Financial Services Commissions of Canada.
- q. Raymond James (USA) Ltd. ("RJLU") – RJLU is a wholly owned subsidiary of RJL, and is a broker-dealer and an investment adviser registered with the SEC and a member of FINRA.
- r. Silver Lane Advisors, LLC ("Silver Lane") – An indirectly wholly-owned subsidiary of RJF that is registered with the SEC and FINRA as a broker-dealer. Silver Lane is a boutique investment bank focused on mergers and acquisitions in the financial services sector.
- s. Raymond James Investment Counsel Ltd. - An indirectly wholly-owned subsidiary of RJF that provides investment advisory services in Canada.
- t. MK Investment Management, Inc. acts as the General Partner to the Morgan Keegan Private Equity Fund of Funds II Holdings, L.P., a master-feeder structure and its underlying entities: Morgan Keegan Private Equity Employee Fund of Funds II, L.P., Morgan Keegan Private Equity Fund of Funds II, L.P. and Morgan Keegan Private Equity QP Fund of Funds II, L.P., which are Delaware limited partnership private equity funds formed for investment purposes. These funds are closed to new investors. In 2012, Raymond James Financial Inc. completed the acquisition of Morgan Keegan and Company Inc. and MK Holding Inc. and certain of its related affiliates from Regions Financial Corporation. MK Investment Management, Inc. is a subsidiary of MK Holding Inc. The officers and directors of MK Investment Management, Inc. are affiliated with RJA and/or RJFS.
- u. The Producers Choice LLC – A wholly owned subsidiary of Raymond James Insurance Group, Inc., provides product, marketing, back-office and technical support for life insurance and annuity products affiliated and non-affiliated licensed insurance agents and agencies.

Raymond James affiliates act as general/managing partners of partnerships (both public and private) for which Raymond James' and its affiliated broker-dealers' clients may from time to time be solicited as limited partners. Raymond James does not invest assets of its advisory clients' accounts in such limited partnerships. Officers and employees of RJF and its subsidiaries may have investment interests in such partnerships.

An advisory relationship may result in various forms of compensation to one or more of the affiliates. In no case are you under any obligation whatsoever to purchase any products sold by our affiliates.

Certain employees of Raymond James also act, on occasion, as registered representatives of Raymond James by having clients of the broker-dealer affiliate. These employees receive additional compensation as registered representatives. Raymond James' policy is to ensure that the interests of its investment advisory clients receive the highest priority. On occasion, such employees may recommend that a brokerage client invest in an advisory account program(s) administered by Raymond James. The employee's compensation may be based, in part, on revenues earned by Raymond James in connection with the opening of new accounts; thus, the employee may have an incentive to recommend that a client invest in an advisory account offered by Raymond James.

## INVESTMENT OF CASH RESERVES

Raymond James 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. Raymond James 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.

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 financial advisor, or you may 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>. For current interest rates and rate for CIP and RJBDP, refer to <https://www.raymondjames.com/wealth-management/why-a-raymond-james-advisor/client-resources/market-numbers/deposit-rates>. For information on the rate being paid on your particular account(s), please contact your financial advisor 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 may offer one or multiple options to different account types (such as non-taxable and managed accounts). In

addition, the custodian may, 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 may change 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. The revenue earned by Raymond James is in addition to the asset-based fees that Raymond James receives from its advisory accounts. 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 may 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 may 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 may 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 where assets are not allocated to Raymond James Bank as part of the RJBDP sweep program.

The interest rate or yield on the Raymond James sweep programs may be higher or lower than the 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.

#### **AFFILIATED MANAGERS AND FUNDS**

Eagle Asset Management, Inc. ("Eagle"), Cougar Global Investments Limited ("Cougar"), ClariVest Asset Management, LLC ("ClariVest"), Scout Investments, Inc. ("Scout"), and Reams Asset Management ("Reams") are affiliates of Raymond James. Affiliates of Raymond James (Eagle, Cougar and Scout/Reams) may act as an SMA Manager in the RJCS, Freedom and Freedom UMA programs. If the client selects an affiliated SMA Manager, or a Freedom or Freedom UMA Strategy that includes an affiliated SMA Manager or funds from the Carillon Family of Mutual Fund(s) (Eagle, Cougar, ClariVest, and/or Scout/Reams), the affiliated SMA Manager will receive compensation under the terms of its Sub-Advisory Agreement with Raymond James, or the management fee received by the affiliated Carillon Family of Mutual Funds. The participation of affiliated SMA Managers or the Carillon Family of Mutual Funds in the programs creates a conflict of interest for Raymond James to recommend or select for inclusion in programs an affiliated SMA Manager (or their affiliated Carillon Family Mutual Fund) over a similarly qualified and suitable non-affiliated SMA Manager (or the Carillon Family of Mutual Funds). This conflict also exists when Raymond James is considering SMA Managers for removal from the program(s). However, Raymond James does not receive additional compensation for investing in an affiliated SMA Manager over a non-affiliated SMA Manager. To the extent recommendations are implemented through Raymond James on behalf of these affiliates, it should be noted that compensation will contribute to the overall profitability of the holding company, RJF. AMS Manager Research & Due Diligence conducts ongoing reviews, inclusive of affiliated SMA Managers, when determining if an SMA Manager remains appropriate to include in the program. Additional information about the reviews conducted is contained in the AMS Manager Research & Due Diligence section above under Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.

Each Strategy available in the Freedom and Freedom UMA program has been constructed by the AMS Investment Committee to offer an alternative allocation comprised exclusively of non-affiliated SMA Managers and/or Funds. The client may select a Strategy that does not contain allocations to Raymond James affiliated SMA Managers or Carillon Family of Mutual Funds. If no selection is made by the client in the Investment Management Client Agreement or otherwise provided in writing, the client should understand that the Strategy they select will serve as their authorization to utilize affiliated SMA Managers and/or the Carillon Family of Mutual Funds, where applicable. The client may revoke this authorization at any time by providing Raymond James written notice.

#### **INTERCOMPANY PAYMENTS BETWEEN AFFILIATES**

In addition to the aforementioned compensation arrangements, Raymond James and its affiliates make certain intercompany payments to compensate each other for performing various administrative and research services. In connection with Raymond James' mutual fund sales, Raymond James or its affiliates receive compensation from their CTA affiliate for providing services unrelated to sales of

the Carillon Family of Mutual Funds, including (but not limited to) consulting services, marketing services, sponsorship fees, support services and transfer credits for trade execution services. Intercompany payments received or paid by Raymond James or its affiliates may be terminated, modified or suspended at any time. In connection with the Raymond James Research Portfolios program, a portion of the asset-based advisory fee assessed by Raymond James to participating client accounts is shared with the Raymond James Equity Capital Markets division for research services related to the development of the Equity Income Report.

## **CODE OF ETHICS AND PERSONAL TRADING**

Raymond James has established and maintains procedures in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. These procedures outline a firm wide policy statement on compliance with insider trading policies by the firm and its associated persons and other employees. These procedures have been distributed to all associated persons and employees of the firm. The procedures include provisions for defining “insider” material, monitoring associated persons and employee securities accounts, restricting access to affiliate’s sensitive material and restrictions on trading.

Raymond James is engaged in investment banking activities. Because Raymond James may trade its advisory clients’ assets in the securities of companies which Raymond James’ Investment Banking division is advising, there is the appearance of a conflict of interest. To mitigate the conflict of interest, Raymond James Investment Banking has implemented information barriers, policies and procedures restricting the dissemination of non-public information in connection with these companies to parties outside the Investment Banking division. In addition, Raymond James has insider trading policies and procedures that are designed to prevent and detect any misuse of non-public information by its associates.

Pursuant to Rule 204A-1 under the Advisers Act, Raymond James has adopted a Code of Ethics. Raymond James monitors the personal securities transactions of its employees. The Code of Ethics sets forth standards of conduct and addresses conflicts of interest between Raymond James advisory personnel and Raymond James’ advisory clients. All investment advisory clients may request a copy of the Raymond James Code of Ethics by contacting the Advisory Compliance Department at 800-248-8863, extension 75877.

Raymond James Financial stock, bonds or options (“RJF securities”) are prohibited investments in managed EHNW, RJCS, Freedom and Freedom UMA program accounts. RJF securities may be permitted to be purchased and held in Ambassador advisory accounts, but will be considered ineligible for advisory fees due to the financial advisor’s affiliation with RJF and, potentially, their personal holdings of RJF securities. This may create a disincentive for the financial advisor to recommend to a client that existing RJF securities continue to be held. Mutual funds or exchange-traded funds held in managed account programs may invest fund assets in RJF securities as well. In addition, Managers in the OSM program may invest client assets in RJF securities.

## **OUTSIDE BUSINESS ACTIVITIES (“OBA’S”) AND PRIVATE SECURITIES TRANSACTIONS (“PSTs”)**

The SEC and FINRA, among other regulatory authorities, have established extensive rules and regulations concerning OBA’s and PST’s. An OBA is generally defined as any business activity that is conducted outside the scope of a financial advisor’s or associate’s employment with Raymond James. A PST, or “selling away”, generally involves engaging in a securities transaction outside of the firm in which the associate or financial advisor is employed or affiliated with. For example, this may involve: (i) part of a private offering of limited partnership interests, without the participation of Raymond James in the offering; or (ii) transactions in securities owned by an associated person. Financial advisors and associates are strictly prohibited from engaging in any OBA or PST unless they specifically request and receive prior written authorization to do so from Raymond James.

Raymond James is obligated to supervise the activities of its employees and ensure that activities engaged in with clients on behalf of the firm are appropriate, while also ensuring that those activities that fall outside the scope of the associate’s or financial advisor’s employment with Raymond James are not misrepresented as being engaged in on behalf of Raymond James. Raymond James generally discourages any OBA or PST that involves any of its clients (or clients of its affiliates). However, such activities or transactions may be authorized by Raymond James provided the client acknowledges that they do not involve, and are not supervised by Raymond James.

A financial advisor offering advisory services as an Investment Adviser Representative of Raymond James is required to provide prospective advisory clients with a current Brochure Supplement which includes information regarding the financial advisor’s education, business experience, disciplinary information, other business activities, additional compensation and supervision. Clients may also obtain additional information regarding their financial advisor, such as licenses, employment history, their regulatory disciplinary information (if any) and whether they have received reportable complaints from investors through the FINRA BrokerCheck service available from FINRA at [finra.org](http://finra.org), or from the SEC at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). Should a client have any concerns regarding any of the information contained in their financial advisor’s Brochure Supplement or information obtained through the BrokerCheck service, they are encouraged to contact Raymond James Private Client Group Compliance Department at (800) 248-8863, extension 73945.

## **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

Raymond James acts as a market maker for various securities, including over-the-counter stocks, municipal and government bonds, as well as limited partnerships. All transactions must be executed at the best price in the market. RJA also may act as principal and buys securities for itself or sells securities it owns to clients. Raymond James does not generally act as a principal on transactions involving advisory clients, unless otherwise instructed by unaffiliated third party money managers through the RJCS program (where applicable), or as a result of the liquidation of securities used to fund an advisory account where the client has authorized their liquidation. Such principal trades, when they occur, will be conducted in accordance with Section 206(3) of the Advisers Act.

Raymond James as agent may buy or sell securities to its advisory clients that may differ between its advisory clients. This may occur, for example, as a result of instructions received from different RJCS SMA Managers, where one SMA Manager instructs the purchase of a security while the other SMA Manager instructs the liquidation of the same security. Clients should understand that an SMA Manager in the RJCS or EHNW program may give advice and take action for clients that may differ from advice given, or the timing or nature of action taken by another SMA Manager, for the same or other clients. The same may occur as a result of the actions of different clients and their respective Raymond James financial advisors. In addition, affiliates, related persons and employees of Raymond James may take a financial interest in a security which differs from those it recommends to an advisory client.

Clients that fund the establishment of new SMA (RJCS, MDA or Eagle), mutual fund/ETF advisory wrap (American Funds, Freedom or Russell) or Freedom UMA accounts with securities authorize the liquidation of such securities for investment in the respective program's portfolio securities. Acting as a broker-dealer in such liquidations, in the event it is unable to find an acceptable agency offer, Raymond James may liquidate these securities from a client's account by purchasing the securities into its inventory, and may assess a markdown in connection with these transactions.

#### **INITIAL PUBLIC OFFERINGS AND PARTICIPATIONS IN SECURITY DISTRIBUTIONS TO THE PUBLIC**

It is firm policy to restrict in managed accounts from the purchase of initial public offerings and other new issues where RJA is a distribution participant (primary market distributions). Specifically, for RJCS and Eagle accounts where a SMA Manager has been delegated investment discretion, no purchases through Raymond James of primary market distributions to the public is permitted if RJA participates in the distribution. However, the SMA Manager may purchase primary market distributions if purchased through another firm participating in the distribution.

For discretionary Ambassador Accounts, purchases in these distributions are only permitted if the client expressly authorizes their purchase on an unsolicited basis. Unless otherwise agreed to by the client and Raymond James, primary market distributions purchased through Raymond James are excluded from Ambassador advisory fees for a minimum of one year depending on the account type. Primary market distributions are not available to be purchased in individual and qualified retirement plan accounts.

#### **REVIEW OF ACCOUNTS**

The client's financial advisor regularly monitors accounts to identify situations that may warrant specific actions be taken on behalf of a client's investments or their overall portfolio. Such reviews include, but are not necessarily limited to, suitability, performance, asset allocation, change in investment objectives and risk tolerance, concentration and prohibited/restricted products. In addition, financial advisors providing regular investment advice or investment supervisory services, review client portfolios and communicate with clients for conformity with the respective portfolios, investment objectives, changes in a client's 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 client portfolios. Financial advisors, at least annually, conduct a review of each of their advisory relationships at the household level and document the fiduciary services that have been provided to the client.

Additional monitoring of accounts is provided by compliance and sales management personnel located within the corporate headquarters. Additional monitoring may include, but not be limited to; a review of a financial advisor and the adequacy and appropriateness of fiduciary services provided, and a review of advisory accounts to confirm documentation of fiduciary services provided is being maintained.

Since investment goals and financial circumstances change over time, clients should review their investments at least annually with their financial advisor. Clients are under no obligation to employ a particular product, advisory service or investment strategy. For more information regarding this topic you may wish to review Your Rights and Responsibilities as a Raymond James Client as described within your Welcome Guide, provided to you upon opening your account with Raymond James. A current version of which is available upon request from your financial advisor, or you may visit the Raymond James public website:

<https://www.raymondjames.com/legal-disclosures/-/media/rj/dotcom/files/legal-disclosures/rja.pdf>.

#### **EHNW, FREEDOM, FREEDOM UMA, RJRP, MDA AND RJCS PROGRAMS**

The timing and nature of account reviews are dictated by a variety of factors. Such factors include the following: contributions or withdrawals of cash from an account; a determination to change the cash level of an account; the allocation of a block of a particular security purchased for, or sold from, a particular discipline/strategy; a client's request for tax-loss selling; a client's direction to refrain from purchasing a particular security or class of securities for his or her account; a client's request for information regarding the performance or structure of an account; option maturity dates; interest rate changes; changes in the list of securities approved for purchase for a particular discipline/strategy; a client's pledge of the assets of an account as collateral security; and requirements imposed by court order or regulatory decree (divorce decree, tax lien).

AMS performs ongoing reviews of managed accounts to ensure clients with the same investment discipline/strategy are traded to the same model or target allocation and investment restrictions/mandates are honored. These reviews include an analysis of accounts with high or low cash balances, security cross references, asset allocation drift, corporate actions and taxlot comparisons between trading, performance and backoffice systems.

AMS's Manager Research, Trading and Client Services advisory personnel periodically review accounts for performance dispersion due to the timing of a particular account's inception or as a result of mispriced or unpriced securities. These reviewers are not typically



assigned a specific number of accounts to review. They may review some or all accounts in a particular advisory program or investment discipline, depending on the nature of the account review.

## **BROKERAGE STATEMENT AND PERFORMANCE/BILLING VALUATION DIFFERENCES FOR FEE-BASED ACCOUNTS**

As discussed under the “Fees – Asset-Based Fees” section of this Brochure, the Account Value on which the asset-based fee is based may be different than the asset value reported on brokerage statements provided by Raymond James. There are several reasons for why these values may differ:

1. Trade Date versus Settlement Date - The brokerage statement values all securities and cash balances based upon trades not being completed until the settlement date (when the money is due), while the value used for billing is derived from the performance system, which values all securities and cash balances based upon the trade date (initiation of cost basis for performance and tax reporting purposes.) For example, if a recent buy in an account has executed, but not yet settled at quarter end, the trade will still show as a cash position on the brokerage statement. In contrast, the purchased security, and value, will be used for performance and billing calculations as of the trade date. Since the financial advisor’s fee-based compensation is associated with the performance of the account, performance-related values are used for billing instead of the brokerage statement value.
2. Margin Balances and Short Sells - Because the brokerage statement reads like a balance sheet, short sells and margin purchases are reflected as liabilities. For example, if a client buys a security on margin (or sells it short), they will have to pay for that security eventually, so the margin balance is shown as a liability (negative value) on the brokerage statement. The performance-related value does not view shorts and margins in this manner. Rather, clients that employ margin are in fact utilizing the advisory services of their financial advisor, who in turn is compensated for it.

For comparison, a client with a retail commission-based account would be charged a commission on each margin trade / short sale because in essence a security position that did not exist before has now been created. While considered a liability on the brokerage statement for valuation reporting purposes, these “new” positions are relevant from a performance and billing perspective and are therefore included for performance and billing purposes. As a result, the use of margin or short sells generally results in the largest discrepancy in terms of value between the brokerage statement and performance/billing values. This can be seen in the fact that a client’s brokerage statement “net” liquidation value is reduced by liabilities, while their performance/billing value is increased.

3. Options - Clients that write calls or puts, much like short sales, are creating a potential liability by doing so. While a client may understand that the net value of the account reflects what they would receive today if all securities were liquidated, it does not take into account the advisory or commission aspects of the securities that were “created”. Again, clients are charged commissions in retail accounts when writing calls or puts because a security is being created. The correlation in a fee-based account is to value the security based upon the liability of the client by taking the absolute value of the short option. For example, a call writer expects the value of a particular security to decrease. If it does, the liability gradually decreases until it becomes zero. By taking the absolute value of the liability (the opposite of the long option), the value of the short option is based on the client’s potential obligation to pay the option holder, and thus more accurately reflects the true “value” of the position.
4. Cash Balances - Clients that hold cash balances greater than 20% of their overall Account Value for 3 consecutive quarterly valuation dates will have the cash balance above 20% excluded from the Account Value used to calculate advisory fees. Please refer to the “Billing on Cash Balances” section for additional information. In addition, clients that hold cash balances as part of a dollar cost average or periodic investment plan are excluded from the Account Value used to calculate advisory fees. For example, a client that has instructed Raymond James to invest \$25,000 in monthly increments over the course of the next six months will have this cash balance reflected on their brokerage statement, but this balance will be excluded from the Account Value until invested, and therefore not assessed an advisory fee.
5. Administrative-Only Investments - Clients that hold securities designated as “Administrative-Only” are not assessed advisory fees on these positions. As a result, the Account Value upon which the advisory fee rate is applied will not include the value of these positions, although these positions will be included on the brokerage statement. Please refer to the “Administrative-Only Investments” section of this Part 2A Brochure for additional information.
6. Primary Market Distributions - Clients that purchase initial public offerings and other new issues where Raymond James is a distribution participant will not be assessed advisory fees on these positions for one year from their purchase date. As a result, the Account Value will not include the value of these positions, although they will be reflected on the brokerage statement. Please refer to the “Participation or Interest in Client Transactions” section of this Part 2A Brochure for additional information.

The methodology Raymond James uses to derive the Account Value is intended to align the calculation of account performance and advisory fees. Account performance is calculated in a standardized manner, which reflects the initiation and disposition of securities, flows into and out of your account as well as the timing of these flows. The advisory fee is based on the investment advice provided by your financial advisor and Raymond James, and the long-term performance of your account forms the basis of our mutual investment advisory relationship.

## **ACCOUNT VALUATION AND PRICING**



Raymond James relies on third party pricing services to determine the value of client account assets. These values are shown on a client's brokerage statements and are used in preparing a client's performance reports. However, if the client has its assets custodied with a custodian other than Raymond James and if the third party pricing service does not provide a price for assets in the client's account, Raymond James will generally rely upon the price reported by the client's third party custodian. If a client has assets held by a third party custodian, the prices shown on a client's account statements provided by the custodian could be different from the prices shown on statements and reports provided by Raymond James.

While sources used for pricing publicly traded securities are considered by Raymond James to be reliable, the prices may be based on actual trades, bid/ask information or vendor evaluations. As a result, these prices may or may not reflect the actual trade prices a client may receive in the current market. Pricing for non-publicly traded securities is obtained from a variety of sources, which may include issuer-provided information (such as for limited partnerships, real estate investment trusts and other alternative investments). Raymond James cannot guarantee the accuracy, reliability, completeness or availability of this information.

#### Pricing on Fixed Income Securities

Fixed income securities, including brokered certificates of deposit, are priced using evaluations, which may be matrix- or model-based, and do not necessarily reflect actual trades. These price evaluations suggest current estimated market values, which may be significantly higher or lower than the amount a client would pay (or receive) in an actual purchase (or sale) of the security. These prices, obtained from various sources, assume normal market conditions and are based on large volume transactions.

The bond "market" is largely comprised of dealers that trade over the counter amongst themselves and very few bonds trade on organized exchanges. While traders are able to trade larger round lot sizes relatively easily (generally for institutional accounts), the prices realized for factored mortgage-backed and odd-lot bonds reflect the fact that it is more difficult to obtain a bid for such bonds. Factored mortgage-backed and odd-lot bonds generally exhibit increased dispersion from publicly available pricing, which is typically based on institutional-level pricing. Bond prices are determined by what someone is willing to pay (the "bid") and what the bond seller would like to receive (the "ask"). The difference between the two is referred to as "the spread". With increases in price volatility, this spread may increase to wider levels, making bond valuation less precise. As a result, bond prices reflected on brokerage statements or available online through our Investors Access portal (or available from your financial advisor) are best efforts estimates and should not be considered as potential sales prices or actual "bids". In cases where there is a need to sell a bond (or bond portfolio), Raymond James recommends that clients contact their financial advisor to determine an actual bid(s).

Market prices of fixed income securities may be affected by several risks, including: (i) interest rate risk – a rise (fall) in interest rates may reduce (increase) the value of your investment, (ii) default or credit risk – the issuers ability to make interest and principal payments, and (iii) illiquidity risk – the inability to sell a bond promptly prior to maturity with minimal loss of principal. Please see "Portfolio Manager Selection and Evaluation - Principal Risks" in this Wrap Fee Program Brochure for additional information.

## **TAX CONSIDERATIONS**

Unless specifically noted, tax efficiency is not a consideration in the management of accounts offered by Raymond James through the American Funds, EHNW, RJCS, Freedom, Freedom UMA, MDA and Russell managed account programs. As such, strategies and investments utilized therein may have unique and significant tax implications. Clients should consult with a tax professional prior to investing.

#### FINANCIAL TRANSACTION TAXES

In 2012, multiple foreign governments began imposing financial transaction taxes on transactions in certain securities connected with the respective country. The taxes are charged to the financial services firm that executes the trade, regardless of where the investors or firms are located. Although each of the countries adopting financial transaction taxes uniquely defines which securities transactions are eligible for the tax and the amount of the tax, it is likely that the financial transaction taxes will apply to trades in an increasing number of securities of foreign issuers, as well as U.S.-issued American Depository Receipts (ADRs) for foreign securities, and potentially by U.S. state governments that are considering applying similar taxes.

Clients should be aware that Raymond James passes each assessed financial transaction tax on to affected client accounts. The amount of the tax will be reported on client trade confirmations and brokerage statements. Clients should understand that international or global investment disciplines may invest in securities subject to these transaction taxes. A list of the securities transactions that will be subject to financial transaction taxes is available from your financial advisor.

#### UNRELATED BUSINESS TAXABLE INCOME

Unrelated business taxable income ("UBTI") is income regularly generated by a tax-exempt entity by means of taxable activities. This income is not related to the main function of the entity, but is needed to generate a small portion of income. UBTI is typically associated with income received from investments in limited partnerships and master limited partnerships, which are required to pay out most of their profits. When UBTI of \$1,000 or more is received from investments held in a client's tax deferred retirement account (such as an IRA), as custodian Raymond James will take the necessary steps to pay the UBTI tax liability from the assets of the retirement account and will prepare and file the required Form 990-T with the IRS. Beginning with tax year 2019, Raymond James will impose a \$200 filing fee for each Form 990-T it files on behalf of each Ambassador retirement account.

*IRS Circular 230 Disclosure:* Raymond James, its affiliates, agents and employees are not in the business of providing tax, regulatory, accounting or legal advice. This brochure and any tax-related statements provided by Raymond James are not intended or written to

be used, and cannot be used or relied upon, by any such taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

## **CLIENT REFERRAL ARRANGEMENTS**

### **PROFESSIONAL PARTNERS PROGRAM AND OTHER SOLICITATION ARRANGEMENTS**

Raymond James established the Professional Partners Program to encourage professionals (such as accountants and attorneys) to refer clients to Raymond James. Each professional partner has agreed to act as a solicitor in accordance with a written agreement with Raymond James. This individual receives a percentage of the asset-based advisory fee as compensation for introducing the client to Raymond James. The client is provided a separate written disclosure by the solicitor detailing the compensation arrangement. The client must consent to the payment of this solicitation fee prior to any such payments being paid by Raymond James to the solicitor. Raymond James and its affiliates may engage in other forms of solicitation arrangements. Any solicitation arrangement will be in accordance with Rule 206(4) –3 of the Investment Advisers Act of 1940.

Raymond James and its financial advisors may refer certain potential clients to one of our Canadian affiliates (RJL, RJFP, and/or RJLU) and will receive compensation in the form of a referral fee for accounts opened as a result of the referral. Clients will be required to sign a referral arrangement disclosure form which details the relationship between the entities and the payment of the referral fee to Raymond James and its financial advisor. The receipt of a referral fee creates a conflict of interest as Raymond James and its financial advisor may refer potential clients to a Canadian affiliate regardless of whether the services offered by the affiliate are appropriate for a client. Clients should understand that the referral by a Raymond James financial advisor does not obligate the client to open an account through one of our Canadian affiliates.

### **INVESTMENT BANKING AND PUBLIC FINANCE REFERRAL ARRANGEMENTS**

Financial advisors are eligible to receive Investment Banking referral fees when they provide significant assistance in identifying and securing corporate finance transactions. Additionally, the Raymond James Public Finance Department will provide referral compensation to financial advisors who help Public Finance capture significant bond underwriting and/or advisory business. Each referral is judged on its own merits and a financial advisor may be compensated based on a percentage of certain fees received by the respective department.

A referral agent or solicitor is subject to conflicts of interest arising from these referral or solicitor arrangements, because the payments might induce the solicitor to recommend an investment manager to a client which the solicitor might not otherwise recommend if there was no payment. Raymond James addresses this conflict of interest by disclosing the terms of the referral relationship and related referral compensation to the referred client.

### **NETWORKING ARRANGEMENTS WITH FINANCIAL INSTITUTIONS**

RJA enters into networking arrangements with unaffiliated financial institutions, such as banks and credit unions. In these arrangements, the financial institution enters into an agreement with RJA for joint marketing, solicitation, customer referrals, the use of the financial institution's premises and facilities, and other administrative and back-office support. If a customer opens an advisory account with Raymond James subject to one of these networking arrangements, the financial institution generally receives compensation from RJA of up to 50% of the investment advisory fees subject to the networking agreement. This compensation is generally paid on a monthly basis to the financial institution. RJA will provide compensation directly to the financial advisor in accordance with its compensation agreement with that financial advisor. These financial advisors are employees of Raymond James and are not employed by the financial institution or its affiliates. RJA customers are not charged any additional fees by Raymond James based on the financial institution's compensation from RJA. The compensation shared with the financial institution is RJA's responsibility, not the customers' responsibility.

In some of these arrangements, RJA services are provided directly on the premises of the financial institution. RJA's financial advisors may also provide advisory services directly from the financial institution, or as applicable, its trust company or one of its other affiliates. RJA is not a bank, and unless otherwise specified for certain Raymond James Bank, N.A. services, products purchased through RJA, are not insured by the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), or other financial institution insurance, are not deposits or other obligations of and are not guaranteed by the financial institution, and are subject to investment risks, including possible loss of principal invested.

### **OTHER REFERRAL ARRANGEMENTS**

The Institutional Account Participation Program ("IAPP") was established to pay referral fees to financial advisors of Raymond James that refer institutional clients to Carillon Tower Advisers, Inc. ("CTA") and/or Eagle Asset Management, Inc. ("EAM"), both affiliates of Raymond James. The referral fee is paid as a percentage of the management fee earned by either CTA or EAM. Financial advisors participating in IAPP may not refer institutional clients to CTA and/or EAM through Raymond James's RJCS and EHNW programs. Our payment of this referral fee will not increase your management fee.

## **OTHER COMPENSATION ARRANGEMENTS**

## MUTUAL FUND INVESTMENTS AVAILABLE THROUGH RAYMOND JAMES

Clients should be aware that only shares of those mutual fund companies with which Raymond James has a selling agreement will be available for purchase from Raymond James, and are generally limited to those fund companies that provide Raymond James with compensation, including but not limited to Education and Marketing Support, Networking, and/or Omnibus fees (including Sub-Accounting, Sub-Transfer Agency, and Administrative Fees), and a few fund companies that do not pay such compensation but that Raymond James chooses to offer to clients on its platforms (see link below under Networking and Omnibus Fees for a list of those mutual fund companies). Therefore, not all mutual funds available to the investing public will be available for investment at Raymond James, and clients should not assume that share classes with the lowest available expense ratio are available.

Eligibility for various share classes offered by mutual funds to be used as part of the Advisory or Managed Account programs (together, the “Advisory Programs”), as described under Item 4 – Advisory Business, is determined by the mutual fund and disclosed in the fund’s prospectus. With respect to those funds that pay Raymond James compensation, Raymond James evaluates each share class for which the relevant Advisory Program is eligible, and aims to select the lowest cost available share class that includes a fee which compensates Raymond James for sub-accounting, recordkeeping, and related services (also known as “Sub-TA Fees”) at the individual account level. This means that Raymond James may not select the lowest cost share class for which the program is eligible (because there may be a less costly share class that does not charge Sub-TA Fees). Moreover, while Raymond James seeks to avoid using share classes that charge 12b-1 fees as part of its Advisory Programs, if such share class is the only means by which Raymond James can collect Sub-TA Fees from the fund (or if a non-12b-1 paying share class is not available to RJA due to contractual reasons or otherwise), Raymond James will use that share class and credit the 12b-1 fee to the client’s account(s). Rule 12b-1 fees will be credited to client accounts bi-monthly, as applicable. Use of a more costly share class will reduce the performance of a client’s account. Note that advisors do not have an incentive to recommend or select share classes that have higher expense ratios because their compensation is not affected by the share class selected.

Raymond James will also select a 12b-1 share class instead of a non 12b-1 share class if necessary to be eligible to collect Education and Marketing Support payments from mutual fund advisers and affiliates. Education and Marketing Support payments are not paid out of fund assets and will not affect a client’s investment performance. These 12b-1 fees, too, will be rebated to client accounts. For additional information regarding 12b-1 fees, please see sections below titled “Mutual Fund Investments Available through Raymond James” and “Mutual Funds Assessed or Subject to 12b-1 Fees or Sales Charges” under “Other Compensation Arrangements”. When evaluating the reasonability of the firm’s compensation, clients should factor in all types of compensation received by Raymond James for the sale of mutual fund shares in which you invest.

Similar to mutual funds, not all money market funds available to the investing public will be available for investment through Raymond James, and Raymond James will only make available money market funds that provide Raymond James with compensation for sub-accounting, recordkeeping, or related services at the individual account level. Certain money market funds may be approved as an investment option, but will be designated as Administrative-Only assets as long as these funds are held in a fee-based account. Neither Raymond James nor the financial advisor will receive fee-based compensation on these funds, but may receive compensation in the form of a 12(b)-1 fee, above-referenced service fees, or trail from the fund company.

Shareholders considering transferring mutual fund shares to or from Raymond James 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, the shareholder must either redeem the shares (paying any applicable contingent deferred sales charge (“CDSC”) and potentially incurring a tax liability) or continue to maintain an investment account at the firm where the fund shares are currently being held. Clients should inquire as to the transferability, or “portability”, of mutual fund shares prior to initiating such a transfer.

Raymond James, in managing advisory accounts, has a financial incentive to favor funds that pay the Firm Sub-TA Fees and/or Education and Marketing fees, over funds that do not. Raymond James also has an incentive to select those funds that pay higher amounts of compensation to the Firm for Sub-TA Fees and Education and Marketing Support payments over those funds that pay lower amounts of compensation to the Firm. Raymond James mitigates these potential conflicts of interest by (1) leveling the amount of compensation paid to IARs, who are responsible for the selection of investments for each client, for all funds, irrespective of the financial benefit to the Firm; and (2) monitoring to ensure that IARs are making investment decisions that are consistent with the client’s stated objectives and strategies. In regard to the Freedom and Freedom UMA programs managed by Raymond James, the AMS Investment Committee makes investment decisions based on objective, investment related due diligence and are agnostic to the compensation arrangements with the various fund companies.

Specific to the Freedom and Freedom UMA programs, the AMS Investment Committee will invest in funds or share classes designated by Raymond James for use in these managed account programs. However, in some instances, a fund company may agree to allow the AMS Investment Committee to buy an institutional share class of a fund for the Freedom program accounts, while restricting individual client-directed purchases of the same share class in other Advisory accounts, such as Ambassador accounts. In addition, some shareholders may qualify to invest in share classes that are intended for specific types of investors, such as retirement plans, by prospectus.

Upon termination of their Managed account, Clients would generally be permitted to continue holding the institutional class of the fund, but will be unable to make additional investments. In addition, upon termination of an account holding SMA Fund shares purchased in a Managed account through Raymond James, these shares will be redeemed immediately by Raymond James, as they may not be held outside of an SMA account. Please refer to the “Methods of Analysis, Investment Strategies and Risk of Loss” section for additional information regarding SMA Funds.

**Education & Marketing Support Fees.** Raymond James provides a variety of marketing and other sales support services to affiliated and unaffiliated mutual fund companies related to their funds. The services that Raymond James provides depends on the level of the mutual fund company's participation in Raymond James's Education & Marketing Support Program ("E&M Program"). The E&M program has three tiers Premier, Preferred, or Partner which correspond to different levels of compensation that the mutual fund company provides to Raymond James for its related services. The services Raymond James provides include, but are not limited to, providing detailed fund information to financial advisors, assisting mutual fund companies with strategic planning support, inclusion in the No Transaction Fee ("NTF") Program, and providing opportunities for assisting with professional development workshops, study groups, and other educational events and conferences. The level of support and types of services provided by Raymond James are commensurate with the tier level and increase at the higher tiers. That is, Premier mutual fund companies receive the greatest quantity of services, followed by Preferred, and Partner, respectively. Raymond James also provides distribution support for prospectuses and promotional materials relating to mutual funds that participate in the E&M Program. In certain circumstances, Raymond James will choose to make share classes that pay 12b-1 fees or level distribution fees available in investment advisory programs if the fund family participates in the E&M Program. Raymond James may then receive marketing and education support payments from the fund family for its services, without increasing costs to you.

The structure of payments to participate in the E&M Program generally varies among mutual fund companies – a percentage of assets under management, a flat dollar fee, or some combination thereof – but the potential level of marketing support fees (also known as revenue sharing fees) that Raymond James receives from a particular mutual fund group/family will not exceed 0.30% (30 basis points) per year on mutual fund assets held through Raymond James. These payments are generally disclosed in detail in a particular mutual funds' prospectus or SAI.

Certain fund families are subject to a minimum annual fee up to \$75,000 to participate in the E&M Program.

The actual amounts that Raymond James receives will vary from one mutual fund family to another and investments in certain asset classes, share classes mutual fund types, and/or account types may be excluded from the E&M Program. For instance, the E&M Program payments do not apply to ERISA plan assets and certain fee-based retirement accounts.

For a list of fund companies that have agreed to participate in Raymond James' Education and Marketing Support program, please visit: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures/mutual-fund-investing-at-raymond-james/mutual-fund-revenue-sharing>.

You may also receive a hardcopy of this list by contacting your financial advisor, or by contacting Raymond James Asset Management Services by phone at (800) 248-8863, extension 74991, or by sending in a written request to: Raymond James Asset Management Services, Client Services Department, 740 Carillon Parkway, St. Petersburg, FL 33716.

**Networking and Omnibus Fees (Sub-Accounting, Sub-Transfer Agency and Administrative Fees).** Mutual fund companies with mutual funds electronically linked or "networked" with a broker-dealer's account system or with mutual funds available through a broker-dealer's account programs often reimburse broker-dealers for a portion of their account servicing and administrative costs, which may include accounting, statement preparation and mailing, tax reporting and other shareholder services. Mutual fund companies may also pay Raymond James for maintaining an omnibus account on behalf of a particular mutual fund company, and that mutual fund company will pay Raymond James to provide various services related to investor accounts, including, but not limited to, processing dividend payments and distributions, recording-keeping, and processing purchase and redemption orders.

Networking and omnibus accounting are services that enable data sharing between Raymond James and mutual fund providers and/or their transfer agents. Raymond James currently receives payments from mutual fund companies for networking and omnibus services that generally take the form of per account charges, a percentage of assets under management, or flat dollar payments. The total amount of such payments may be up to 0.20% of total assets under management. These fees are not applicable with respect to ERISA plan assets and certain fee-based retirement accounts.

For a list of fund companies that have agreed to pay Raymond James networking and omnibus servicing fees, please visit: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures/mutual-fund-investing-at-raymond-james/networking-and-service-partners>. You may also receive a hardcopy of this list by contacting your financial advisor, or by contacting Raymond James Asset Management Services by phone at (800) 248-8863, extension 74991, or by sending in your written request to: Raymond James Asset Management Services – (10M), Client Services Department, 740 Carillon Parkway, St. Petersburg, FL 33716.

For a list of fund companies that do not pay Raymond James networking and omnibus servicing fees, please visit: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures/mutual-fund-investing-at-raymond-james/non-networking-and-service-partners>. You may also receive a hardcopy of this list by contacting your financial advisor, or by contacting Raymond James Asset Management Services by phone at (800) 248-8863, extension 74991, or by sending in your written request to: Raymond James Asset Management Services – (10M), Client Services Department, 740 Carillon Parkway, St. Petersburg, FL 33716.

**Shareholder Servicing Fees.** Certain mutual fund companies also pay Raymond James fees to provide shareholder liaison services to investors. These fees are classified as shareholder servicing fees and generally include responding to investor inquiries and providing information on mutual fund investments. Raymond James receives these shareholder services fees from certain mutual funds in amounts up to 0.25% annually of the assets invested in a particular mutual fund.

***Education Fees - Retirement Programs.*** Raymond James also receives annual fees of up to \$25,000 from mutual fund companies for providing education, marketing and sales support services for Raymond James financial advisors that provide or seek to provide services to employer-sponsored retirement plans.

***Affiliated Funds.*** Raymond James makes available to its clients a variety of mutual funds advised or offered by Carillon Tower Advisers, Inc. ("CTA"), a subsidiary of Raymond James Financial, Inc. ("RJF") and an affiliate of Raymond James. In addition to the fees described above, Raymond James receives additional revenue in connection with the sale of CTA mutual funds because it receives compensation for providing these affiliated mutual funds with investment advisory, administrative, transfer agency, distribution and/or other services that Raymond James may not provide to unaffiliated mutual funds. Payments to Raymond James and its affiliates made by mutual funds advised or offered by CTA may be terminated, modified or suspended at any time. Raymond James financial advisors and branch managers do not receive additional compensation or other cash or non-cash incentives for recommending mutual funds (or any particular class thereof) advised by CTA.

***General Promotional Activities.*** Marketing representatives of mutual fund companies, often referred to as "wholesalers", work with Raymond James financial advisors and their branch office managers to promote their mutual funds. Consistent with applicable laws and regulations, these mutual fund companies may pay for or provide training and educational programs for Raymond James' financial advisors and their existing and prospective clients. Mutual fund companies may also pay Raymond James, directly or indirectly, to offset expenses incurred for due diligence meetings, conferences, client relationship building events, occasional recreational activities, and other events or activities that are intended to result in the promotion of their mutual funds.

***Other Services.*** The subsidiary companies of Raymond James Financial, Inc. provide a wide variety of financial services to, among others, individuals, corporations, employer sponsored retirement plans and municipalities. For these services, Raymond James receives compensation. As a result, Raymond James can be expected to pursue additional business opportunities with companies whose mutual funds Raymond James makes available to its clients. Consistent with industry regulations, these services could include (but are not limited to) banking and lending services, consulting or management services to deferred compensation and retirement plans, investment banking, securities research, institutional trading services, investment advisory services, and effecting portfolio securities transactions. Raymond James professionals who offer mutual funds to the individual investor clients of Raymond James may introduce mutual fund company officials to other services that Raymond James provides.

Clients should understand that the compensation arrangements between Raymond James and mutual fund companies discussed above may create a conflict of interest for Raymond James and its investment professionals to recommend a mutual fund where such compensation arrangements exist versus a mutual fund that does not pay such compensation to Raymond James, or where the firm receives greater compensation for offering such funds (or share classes thereof) on its platform. In addition, to the extent such compensation is paid out of fund assets, these payments will negatively impact clients' overall investment performance and returns over time. However, Raymond James financial advisors and branch managers do not receive additional compensation or other cash or non-cash incentives for recommending mutual funds that pay such fees to Raymond James, including those advised or offered by its CTA affiliate, versus those that do not pay such fees.

## **MUTUAL FUNDS ASSESSED OR SUBJECT TO 12B-1 FEES OR SALES CHARGES**

In June 2018, Raymond James began exchanging existing advisory fee-eligible mutual fund positions in incepted Ambassador Program accounts for a specific mutual fund share class ("firm selected 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 may 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 firm selected share class has been implemented in the client's account. These share class conversions are non-taxable events, and clients' cost basis will carry over to the new firm selected share class. Raymond James will retain the 12b-1 fees received from non-wrap eligible, non-billable mutual funds that are not eligible for advisory fee billing.

Raymond James has established a separate process to convert class C shares to the firm selected 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 the shares become eligible for conversion to another share class without being subject to the CDSC. However, certain funds may require that investors hold the Class C shares longer 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 converted, on a tax free basis, to the recommended share class by Raymond James on a quarterly 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 converted by Raymond James to the firm selected share class the month after they are CDSC-free, at which point the newly converted shares will be subject to advisory fees. Also, upon conversion of the C share to the firm selected share class, the 12b-1 fees (if any) will be credited to the client on a bi-monthly basis.

Investments held in Ambassador Accounts may be comprised of mutual fund shares only (both load-waived and no-load funds may be utilized), individual equity and fixed income securities, or a combination of mutual fund shares and individual securities. With respect to load funds, only the firm selected share class of such funds for which the mutual fund sales charge has been waived, may be purchased and charged an advisory fee in these programs. Clients may 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, not charge an advisory fee on these assets during this period, and will credit 12b-1 fees received by Raymond James (if any) to the client's account on a bi-monthly basis. 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 or the commission did not exceed \$50. Clients should understand that this Two Year Rule may create a financial incentive for their financial advisor 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 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 back-end 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%.

### ALTERNATIVE INVESTMENTS AVAILABLE THROUGH RAYMOND JAMES

The term "Alternative Investments" refers to securities products that serve as alternatives to more traditional investment asset classes and may include investment products such as hedge funds, private equity funds, private real estate funds and structured products. Raymond James, through its financial advisors, offers qualified clients a wide range of alternative investments. Alternative investments may charge a variety of fees. These fees are similarly structured but are often higher than management fees associated with other, more traditional, investments such as mutual funds. Raymond James and/or your financial advisor may share in a portion of management fees to which an investment manager is entitled. It is important for clients to work with their financial advisor(s) to evaluate how a particular alternative investment and its features fit their individual needs and objectives. An important component of this 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 the client make an informed choice.

As part of the review process, a client should consider the fees and expenses associated with a particular alternative investment, along with the fact that the client's financial advisor and Raymond James 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. The client's financial advisor will answer any questions regarding the total fees and expenses and the initial and ongoing compensation that they and/or Raymond James may receive. 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 Raymond James and your financial advisor(s) may 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 may increase. As the value of your investment decreases, the total management fees that a manager receives may decrease. These fees are similarly structured but are often higher than management fees associated with other, more traditional, investments such as mutual funds. Raymond James and/or your financial advisor may 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 or 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. Raymond James and/or your financial advisor 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 your financial advisor and/or Raymond James. These fees are generally based on the total amount of your investment. Additionally, there may be ongoing fees, based on value of your investment, that are directly related to compensating your financial advisor and/or Raymond James. The total level of compensation received by Raymond James may be related to the total Raymond James client capital invested with a particular manager or product.
- **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.
- **Other expenses.** Alternative investment strategies may 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 may 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 may 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 may include costs related to tax document preparation, auditing services or custodial services.

**Fee-Based Accounts.** Alternative investments often have limited liquidity, intermittent pricing and values based on appraisal-based pricing versus market-based pricing. Additionally, if an alternative investment is reflected on your Raymond James statement, the value reflected is often an estimate subject to revision by the investment 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. Raymond James 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 by Raymond James. A client may hold one or more of these Administrative-Only products in their Ambassador accounts, but no asset-based advisory fee will be assessed as long as they are held in an Ambassador account.

## **PRODUCT AND SPONSORSHIP FEES**

From time to time Raymond James may receive additional compensation from product sponsors in the form of sponsorship fees for seminars, meetings or conferences. Such sponsors include affiliated and unaffiliated investment advisers, alternative investment limited partnerships, affiliated and unaffiliated investment companies, insurance companies and annuity sponsors. Such sponsorship fees generally entitle the sponsor an opportunity to conduct a presentation of the sponsor's products and services, among other things, to representatives of Raymond James and its affiliates. Due to the large number of product sponsors whose products are offered by Raymond James it is important clients understand that not all product sponsors can participate in a given meeting or event, or will be available or choose to participate in any event for an extended period of time. As a result, only those product sponsors that participate in such events gain the opportunity to interact with Raymond James representatives, and it is anticipated that such interaction will result in additional sales of the product sponsor's products or services. Accordingly, a conflict of interest may exist where Raymond James offers presentation opportunities to those product sponsors willing to contribute sponsorship fees more frequently or in greater amounts than other product sponsors. However, consideration of product sponsors for event participation by Raymond James is based on the quality of the product sponsor and its products or services and is not based on the anticipated sponsorship fees the firm will receive. Raymond James' receipt of such sponsorship fees is for the purpose of defraying costs associated with coordinating and hosting the sponsored event. In addition, Raymond James representatives may receive promotional items, meals, entertainment or other non-cash compensation from product sponsors.

Clients or potential investors that attend a training or educational meeting offered by their financial advisor where a product sponsor is in attendance should assume that the product sponsor has paid or reimbursed Raymond James for part or all of the total cost of the meeting or event, including travel costs.

## **MARGIN INTEREST**

Clients will be charged interest on any credit extended to or maintained on the client's behalf by Raymond James for the purpose of purchasing, carrying, or trading in any security or otherwise. The particular rate will vary with the size of the average debit balance.

## **SHORT SALES**

When executing short sales, clients should be aware that Raymond James 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. Three of the major variables that impact the amount of the fee Raymond James retains, as well as the transparency of the fee on the client statement are: 1) availability of the security at Raymond James; 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 a client borrows a security which Raymond James can lend from its own inventory or its available customers' securities holdings, Raymond James generally retains all of the fees generated by that loan. In a higher interest rate environment, this fee may not be transparent to a customer because it may not be charged directly to the 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 environment, the interest earned on the invested cash collateral may not be sufficient to cover the fee; in this case Raymond James may directly charge the fee to the client account until the borrowed balance is closed.

In cases where Raymond James has no available supply of loanable securities, Raymond James may borrow the security from another firm. In these cases, the client will be charged a fee to cover the borrowed securities, and Raymond James 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 a customer 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 may not be sufficient to cover the fee, Raymond James may directly

charge the fee to the client account until the borrowed balance is closed; a portion of that fee is passed from Raymond James to the firm from which the securities were borrowed.

For more information on interest/charges associated with margin balances and/or shorts sales, please visit Raymond James' public website: [raymondjames.com/services\\_and\\_charges.htm](http://raymondjames.com/services_and_charges.htm). You may also contact your financial advisor or call Raymond James by phone at 800-647-SERV (7378) for additional information, or may submit your written request to: Raymond James Client Services, 880 Carillon Parkway, St. Petersburg, FL 33716.

## **USES OF ASSETS AS COLLATERAL**

### **SECURITIES-BASED LENDING**

In certain circumstances, the client may wish to enter into a loan agreement with Raymond James Bank N.A. ("RJ Bank"), a wholly-owned subsidiary of Raymond James Financial and an affiliate of Raymond James, and utilize the assets in the client's investment management or other custodial account(s) as collateral for the loan (also known as "pledging"). In these situations, the loan cannot be used to acquire additional securities. The client is responsible for independently evaluating whether: (i) the loan is appropriate for their needs; (ii) the terms on which RJ Bank is willing to lend are acceptable; and (iii) the loan will have adverse tax, investment, accounting or other implications for the client and the account.

At the client's election and RJ Bank's acceptance, securities in the client's custodial account may be used as collateral for these loans. RJ Bank may use valuations different than those reflected on brokerage or other performance statements or for other purposes. As a result, collateral values that RJ Bank provides may be materially different than the fair value of or other pricing provided by Raymond James on these securities. Unless otherwise specified, products purchased from or held at Raymond James are not insured by the FDIC, are not deposits or other obligations of RJ Bank, are not guaranteed by RJ Bank and are subject to investment risks, including possible loss of the principal invested.

The fees related to a securities-based loan, are separate from the advisory fees charged to a client's account(s). Additionally, RJ Bank compensates Raymond James for the financial advisor's referral and for other services performed by Raymond James' margin department such as, but not limited to, the monitoring of margin levels, calls, and liquidations as needed. The additional compensation received by Raymond James, which will typically be shared with the financial advisor, results in a conflict of interest. Clients should explore this subject thoroughly with their financial advisor in order to be able to determine whether a securities-based lending arrangement is appropriate for their needs.

### **RISKS AND CONFLICTS RELATED TO PLEDGING ASSETS**

There are certain risks and conflicts of interest that arise when RJ Bank lends to a client against a pledge of the client's advisory assets, including: (i) fees and interest received from the client in connection with the loan (which fees and interest may be substantially higher than those charged by other lenders), (ii) a situation could arise where the value of the account is zero and the client still owes money on the loan, (iii) the client will no longer have the benefit of segregation rights for its pledged assets but, instead, will grant Raymond James full rights to re-hypothecate the pledged assets and use them in Raymond James' own business, thereby increasing the client's credit exposure upon an insolvency of Raymond James or RJ Bank to the extent that the value of the pledged assets is greater than the value of the loan, (iv) RJ Bank may force the sale of assets in the client's account(s) if the value of those assets falls below certain levels, (v) neither RJ Bank nor Raymond James is obligated to contact the client before selling assets to enforce RJ Bank's rights under the loan and may sell the assets in any manner Raymond James may choose in our sole discretion, including for prices that are less than the value that the client believes the assets are worth or is not the best available, (vi) the client is not entitled to select which assets are liquidated to meet a margin call or satisfy a repayment requirement under the terms of the loan and assets may be selected for liquidation that the client wishes to retain, or that may be difficult for the client to replace, or that have a low tax basis and, thus, through the liquidation, create an adverse taxable event for the client, (vii) RJ Bank is entitled to require the client to provide collateral substantially in excess of statutorily required margin levels and to increase the amount of required margin in the client's account(s) at any time (including intra-day) without prior notice to the client, (viii) the client is not entitled to an extension of time on a margin call, (ix) the timing and size of securities sales in connection with enforcement of RJ Bank's rights pursuant to the loan might be different than if those securities were not used as collateral in connection with the loan, (x) the loan itself as well as the selling of collateral in the accounts pursuant to the terms of the loan may negatively impact the performance of the account and, in the event of quick liquidations of securities pledged as collateral, may adversely affect the price of the underlying securities and, thus, the value of other accounts of the client, (xi) with respect to the loan and collateral, RJ Bank will act in the capacity of a lender and may take the actions described above, which may be in conflict with the client's best interest and with Raymond James' role as an investment adviser to the client's applicable advisory account(s) including, without limitation, selling the loan to a third party that has no relationship with the client, (xii) since Raymond James has not developed customer statements or performance reports that reflect the impact of the loans reflected in a client's account(s), which are generally reflected as a debit or negative value, clients must review the different types of reports generated for their margin loan, their advisory account and any account in which the loan proceeds are reinvested to determine the impact of the loan or margin on their investment performance, including material adverse trends, (xiii) RJ Bank may call the loan at any time, even if at such time it is unfavorable to the client or the client does not, to RJ Bank's knowledge have sufficient funds to repay the loan, and (xiv) Raymond James does not act as an investment adviser to the client with respect to any assets (including securities) which the client may acquire with the proceeds of the loan. In addition, to the extent that assets in an investment management account managed by a third party SMA Manager are used as collateral for a loan and Raymond James is required to liquidate assets in that account to meet a margin call or satisfy a repayment requirement, that third party SMA Manager will not have any control or discretion over which assets Raymond James selects to liquidate and the liquidation may adversely impact the SMA Manager's strategy.

Raymond James will not notify the SMA Manager of the loan or its liquidation of assets in the account due to actions taken in connection with a loan.

In authorizing the use of margin and/or entering into a loan arrangement with RJ Bank, the client will be: (i) deemed to consent to incurring the risks described above, (ii) deemed to consent to the conflicts of interest on the part of RJ Bank, Raymond James and its affiliates, including, without limitation, conflicts arising due to RJ Bank's role as lender and Raymond James' role as the investment adviser to the client, where applicable, and (iii) required to provide written representations, agreements and consents to RJ Bank, upon which RJ Bank will rely in extending a loan, concerning a number of risks and conflicts, including those described herein, as well as representations regarding the client's sophistication, understanding of the role of margin, including that the use of margin increases the risk of loss to the client, and non-reliance on Raymond James and its affiliates for advice regarding the loan.

#### **FULLY-PAID SECURITIES LENDING**

In a Fully-Paid Securities Lending arrangement, RJA, through its Securities Lending department, will borrow from the client and re-lend the shares to an external counterparty or use the shares in-house to cover another client's short or to satisfy a firm delivery obligation. The total return generated on the transaction is split between the Client and RJA based on the fee split schedule in the Fully Paid Lending Master Securities Agreement. In exchange for the loan of fully paid securities or excess margin securities ("Loaned Securities"), the firm will deposit cash collateral in a collateral account equal to the 100% of the market value of the security using the prior day's close of business pricing. This collateral is deposited with a third party banking institution for as long as the Loaned Security is out on loan. While a securities loan is outstanding, and until the loaned securities are credited back to the client's account upon termination of the loan, the client will lose any right to vote the loaned securities.

RJA will receive compensation in connection with the use of the loaned securities, including in connection with lending your loaned securities to other parties for use in connection with settling short sales, or for facilitating settlement of short sales by RJA, its affiliates and/or its customers. If RJA defaults and the market value of the loaned securities increases in value on the day RJA defaults, the cash collateral provided by RJA may be insufficient to fully collateralize the loaned securities.

Clients should understand the loaned securities used to facilitate short selling could put downward pressure on the overall price of the security. Each loan transaction is not a hedge against price decline and offers no downside price protection to client's loaned securities. Other important risk disclosures are discussed in the Fully Paid Lending Risk Disclosure Form and the Fully Paid Lending Master Securities Lending Agreement available to clients from their financial advisor.

#### **FINANCIAL INFORMATION**

Raymond James is a qualified custodian as defined in SEC rule 206(4)-2 and therefore has not included a balance sheet of its most recent fiscal year in this Wrap Fee Program Brochure. Raymond James is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, nor has it been the subject of a bankruptcy petition at any time during the past ten years.

#### **BUSINESS CONTINUITY**

Raymond James has adopted a Business Continuity Plan ("BCP") that provides for the continuation of business critical functions in the event its headquarters become partially or totally inaccessible, or a technical problem occurs affecting its applications, data centers or network. The recovery strategies Raymond James employs are designed to limit the impact on clients from such business interruptions or disasters. Although Raymond James has taken reasonable steps to develop and implement detailed business continuity plans, unforeseen circumstances may create situations where Raymond James is unable to fully recover from a significant business interruption. However, Raymond James believes its planning and implementation process reduces the risk in this area.

A Raymond James BCP Disclosure Statement is available upon request through your financial advisor, or may be reviewed on the Raymond James public website: <https://www.raymondjames.com/legal-disclosures/business-continuity-planning-disclosure-statement>.

# FACTS

## WHAT DOES RAYMOND JAMES DO WITH YOUR PERSONAL INFORMATION?

### Why?

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.

### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- Credit history and credit score
- Account balances and account transactions

When you are **no longer** our customer, we continue to share your information as described in this notice.

### How?

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 Raymond James chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Raymond James share?	Can you limit this sharing?
<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	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	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	Yes	Yes
<b>For our affiliates to market to you</b>	Yes	Yes
<b>For nonaffiliates to market to you</b>	No	We don't share

### To limit our sharing

Call 1.800.647.7378.

#### Please note:

If you are a *new* customer, we can begin sharing your information 30 days from the date we sent this notice. When you are *no longer* our customer, we continue to share your information as described in this notice.

However, you can contact us at any time to limit our sharing.

### Questions?

Call 1.800.647.7378 or go to [raymondjames.com](http://raymondjames.com).

## Who we are

### Who is providing this notice?

See the Raymond James U.S. legal entities noted below.

## What we do

### How does Raymond James protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information, please visit [www.raymondjames.com/privacy-security-and-account-protection/how-raymond-james-protects-your-privacy](http://www.raymondjames.com/privacy-security-and-account-protection/how-raymond-james-protects-your-privacy).

### How does Raymond James collect my personal information?

We collect your personal information, for example, when you

- open an account or perform transactions
- make a wire transfer or tell us where to send money
- tell us about your investment or retirement portfolio

We also collect your personal information from others such as credit bureaus, affiliates, or other companies.

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

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes – information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

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

Your choices will apply to everyone on your account.

## Definitions

### Affiliates

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

- *Our affiliates include companies with a Raymond James or Carillon name as well as financial companies such as Eagle Asset Management, Inc., Scout Investments, Inc., and The Producers Choice, LLC.*

### Nonaffiliates

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

- *Raymond James does not share with nonaffiliates so they can market to you.*

### Joint marketing

A formal agreement between nonaffiliated financial companies to provide or market financial products or services to you.

- *Our joint marketing partners may include banks and credit unions.*

## Other important information

Financial advisors may change brokerage and/or investment advisory firms, and the nonpublic personal information collected by us and your advisor may be provided to the new firm, so your advisor can continue to service your account(s). If you do not want your financial advisor to provide this information to the new firm, please call 800.647.7378 to opt out of this sharing. Opt-in states, such as California and Vermont and others, require your affirmative consent before the advisor can provide your nonpublic information to the new firm. You can provide or withdraw this consent at any time by contacting 800.647.7378. If your financial advisor is also affiliated with a bank, credit union, or other financial institution, and that financial institution enters into a relationship with a new financial services provider, we may share your information with the new financial services provider so your advisor can continue to service your account(s).

**Vermont:** In accordance with Vermont law, we will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures. Additional information concerning our privacy policies can be found at [raymondjames.com](http://raymondjames.com) or call 1.800.647.7378.

**California:** In accordance with California law, we will not share information we collect about you with companies outside of Raymond James, unless the law allows. For example, we may share information with your consent, to service your accounts, or to provide rewards or benefits you are entitled to. We will limit sharing among our companies to the extent required by California law. For additional information regarding your rights, please see the California Privacy Notice ([raymondjames.com/ccpa](https://raymondjames.com/ccpa)).

**Nevada:** In accordance with Nevada law, if you would like to be placed on our Internal Do Not Call List, please call 800.647.7378. For more information, you may contact [ClientService@RaymondJames.com](mailto:ClientService@RaymondJames.com) or Raymond James Client Services, 880 Carillon Parkway, St. Petersburg, FL 33716, or the Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101. Phone number: 1.702.486.3132; email: BCPINFO@ag.state.nv.us.

**For Insurance Customers in AZ, CA, CT, GA, IL, ME, MA, MN, MT, NV, NJ, NC, OH, OR, and VA only.** The term “Information” in this section means customer information obtained in an insurance transaction. We may give your Information to state insurance officials, law enforcement, group policy holders about claims experience, or auditors as the law allows or requires. We may provide your Information to insurance support companies that may retain it or send it to others as needed to service your account. We may share your medical Information so we can learn if you qualify for coverage, process claims, or prevent fraud or if you provide authorization. To see your Information, write to Raymond James Insurance Group, 880 Carillon Parkway, St. Petersburg, FL 33716, Attn: Data Request. You must state your full name, address, the insurance company, policy number (if relevant), and the Information you are requesting. We will inform you of what Information we have. You may see and copy the Information (unless privileged) at our office or ask that we mail a copy to you for a fee. If you think any Information is incorrect, you may submit a written request to have the Information corrected. We will notify you of what actions are taken. If you do not agree with our actions, you may send us a statement.

If Raymond James acts as a clearing agent for your accounts opened through an unaffiliated introducing broker-dealer (Custody & Clearing Division, or CCD) or if Raymond James provides custody and execution services to your third-party investment adviser (Investment Advisors Division, or IAD), you should also receive a separate privacy notice from your introducing broker-dealer or third-party investment adviser that governs information you share with them. Raymond James shall have no responsibility or liability with respect to such separate privacy notices.

### Raymond James U.S. legal entities

Raymond James Financial, Inc., Raymond James & Associates, Inc., Raymond James Financial Services, Inc., Raymond James Financial Services Advisors, Inc., Raymond James Insurance Group, Inc., and The Producers Choice, LLC. This notice does not apply to Raymond James Bank, N.A., Raymond James Trust, N.A., Carillon Tower Advisers, Inc., Carillon Family of Funds, Carillon Fund Distributors, Inc., Carillon Fund Services, Inc., Eagle Asset Management, Inc., and Scout Investments, Inc., as these affiliates deliver their own privacy notices.