

**Item 1 – Cover Page**

# Raymond James Financial Services Advisors, Inc.

## Form ADV Part 2A Brochure

December 21, 2020

This Form ADV Part 2A brochure ("Brochure") provides information about the qualifications and business practices of Raymond James Financial Services Advisors, ("RJFSA"). If you have any questions about the contents of this Brochure, please contact your RJFSA investment adviser representative or Asset Management Services 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 RJFSA is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Raymond James Financial Services Advisors, Inc.**

880 Carillon Parkway // St. Petersburg, FL 33716

T 800.248.8863 // [raymondjames.com/rjfsa](http://raymondjames.com/rjfsa)

---

**RAYMOND JAMES®**

Raymond James® is a registered trademark of Raymond James Financial, Inc.

---

## Item 2 – Summary of Material Changes

This section describes material changes to Raymond James Financial Services Advisors, Inc.'s ("RJFSA") Part 2A of Form ADV ("Part 2A Brochure" or this "Brochure") since its last annual amendment on December 20, 2019. This Brochure, dated December 21, 2020, has been prepared according to the SEC disclosure requirements.

Additionally, in lieu of providing clients with an updated Part 2A Brochure each year, we typically provide RJFSA's existing advisory clients with this summary describing any material changes occurring since the last annual amendment. In these instances, we will make this delivery 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 Part 2A Brochure may request a copy at no charge by contacting the Asset Management Services Client Services department at 800-248-8863, extension 74991. RJFSA's current Part 2A 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# 801-69815, upon request through the client's IAR, or may be reviewed 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:

As a result of RJFSA discontinuing the Passport and Investment Management Program for Advisory Clients Account ("IMPAC") programs, language describing these programs was removed from the Brochure. Effective September 26, 2020, RJFSA notified existing program clients of the discontinuation of these programs in August 2020.

While not material, during our review and update of this Brochure, we revised content throughout the document. These revisions include the additions of charts and wording changes in order to present information in an easier-to-read format and the removal of language related to our wrap fee programs, which are described in our Form ADV Part 2A, Appendix 1 ("Wrap Fee Brochure").

**Item 3 – Table of Contents**

Item 1 – Cover Page ..... 1

Item 2 – Summary of Material Changes..... 2

Item 3 – Table of Contents ..... 3

Item 4 – Advisory Business..... 4

Item 5 – Fees and Compensation ..... 8

Item 6 – Performance-Based Fees and Side-By-Side Management..... 17

Item 7 – Types of Clients ..... 17

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss ..... 17

Item 9 – Disciplinary Information ..... 23

Item 10 – Other Financial Industry Activities and Affiliations ..... 26

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ..... 30

Item 12 – Brokerage Practices ..... 30

Item 13 – Review of Accounts ..... 31

Item 14 – Payment for Client Referrals ..... 31

Item 15 – Custody ..... 33

Item 16 – Investment Discretion ..... 33

Item 17 – Voting Client Securities ..... 33

Item 18 – Financial Information ..... 33

## Item 4 – Advisory Business

### About Us

Raymond James Financial Services Advisors, Inc. (“RJFSA”) is a wholly owned subsidiary of Raymond James Financial, Inc. (“RJF”), a publicly held corporation based in Saint Petersburg, Florida. RJFSA is registered as an investment adviser with the Securities and Exchange Commission (“SEC”), since 2008 and has provided advisory services since January 1, 2009. Registration as an investment adviser with the SEC does not imply a certain level of skill or training. We use the term financial advisor or investment adviser representative (“IAR”) to mean the individual representative that you work with in choosing an advisory service offered through RJFSA.

Our affiliate, Raymond James & Associates, Inc. (“RJA”), acts as a custodian and a clearing agent to client accounts introduced by us and facilitates various advisory programs through Asset Management Services (“AMS”), an operating division of RJA. RJFSA IARs may also offer to you wrap fee programs that are sponsored by RJA. These programs are discussed in detail in the RJA Part 2A of Form ADV, Appendix 1 (“RJA Wrap Fee Program Brochure”). AMS through its Investment Committee, as described in the RJA Wrap Fee Program Brochure, also provides portfolio management services to several of the wrap fee programs offered by RJFSA.

RJFSA is also affiliated with Raymond James Financial Services, Inc. (“RJFS”), an introducing broker. RJFS is a registered broker/dealer, member FINRA and is a wholly-owned subsidiary of RJF. IARs of RJFSA may also be registered with RJFS as registered representatives and therefore have the capacity to offer you certain broker-dealer related services that are not available through RJFSA. Information about these and other material affiliations is further described in the [“Other Financial Industry Activities and Affiliations”](#) section.

Also, as used in this Brochure, the words “we,” “our,” “our Firm,” “RJFSA,” “the Firm,” and “us” refer to RJFSA and your IAR, and the words “you,” “your,” and “client” refer to you as either a client or prospective client of our Firm.

### Assets Under Management

As of September 30, 2020, RJFSA had approximately \$191.890 billion in assets under management, approximately \$87.683 billion of which was managed on a discretionary basis and approximately \$104.206 billion of which was advised on a non-discretionary basis.

### Introduction

This Brochure describes advisory programs offered by outside managers who are not affiliated with RJFSA (referred to as our OMM Programs) and financial planning and/or investment consulting services offered through our Wealth Advisory Services Program, both of which are described in greater detail below.

In partnership with you, your IAR assesses your investment objectives based on the information you initially provide, to determine which advisory programs or advisory services, if any, are appropriate to recommend to you. We tailor our advisory programs and services to your individual needs. We encourage you to share your current financial situation, needs and objectives as well as changes in your financial and personal circumstances with your IAR so that appropriate recommendations can be made.

As a result of your relationship with your IAR, you may receive a recommendation to use another service or to open an account through our Firm that is not described in this Brochure. We maintain separate disclosure brochures for those other services and account programs and you will be provided a copy of the appropriate brochure. As described below, these brochures provide detailed information, disclosures, and potential conflicts of interest related to the other services and account programs that we may provide you.

- RJFSA Form ADV Part 2A, Appendix 1 (“Wrap Fee Program Brochure”) – RJFSA sponsors a program where your individual IAR advises you on your account assets (“FA Advisory Program”). In addition, RJFSA offers a dual contract managed account platform in which you enter into a separate contract with an outside manager. As described in a separate brochure are programs in which you pay a single bundled or “wrap” asset-based fee which includes compensation paid to us and your IAR for providing advisory services under the program and to RJA and RJFS, as applicable, for trade execution, clearing, custodial and other administrative services. We receive a portion of the wrap fee for our services. The FA Advisory

Program and dual contract platform are further described in the RJFSA Wrap Fee Program Brochure. A copy is available, upon request, from your IAR or you may visit our public website: <https://www.raymondjames.com/legal-disclosures>.

- Institutional Fiduciary Services (“IFS”) Form ADV Part 2A – Your financial advisor offers advisory consulting services to institutional and qualified retirement plans, including program support, investment education and guidance, if selected by a client. IFS, a division of RJA, supports and maintains oversight over these activities. Details of the services provided by IFS are available in IFS Form ADV Part 2A Brochure. A copy is available, upon request, from your IAR or you may visit or public website: <https://www.raymondjames.com/legal-disclosures>.
  - Through the 3(21) Program, IARs who meet certain criteria may offer non-discretionary fiduciary services to institutional and retirement plan clients, which may include developing and implementing the IPS, investment due diligence, ongoing performance reporting, and documentation of the services to plan fiduciaries for a fee. IARs in this Program have a shared fiduciary responsibility with the Plan Client where the IAR provides investment advice to a Plan Client for a fee, however, the Plan Client retains ultimate decision-making authority concerning the investments and may accept or reject the non-discretionary investment recommendations provided by the IAR.
  - Through the 3(38) Solution, IFS offers discretionary investment advisory services through a broad range of investment solutions and support services for institutional and retirement plan clients. IFS delivers to Plan Clients an investment policy statement (“IPS”), diversified investment menu, quarterly plan investment updates/monitoring, a client service plan, and ongoing investment due diligence.

## Overview of Our Advisory Programs

### Outside Money Managers (“OMM”) Program

Outside Money Managers (“OMMs”) are independent investment advisers who are not affiliated with RJFSA. There are two types of OMM Programs at RJFSA: Adviser OMM and Solicitor OMM.

- **Adviser OMM** – In an adviser OMM relationship, you enter into an advisory relationship with both RJFSA and the OMM, either through separate advisory agreements with both entities, or an advisory agreement which includes you, the OMM, and RJFSA. Responsibilities of each party to the agreement, which may address matters including minimum account size, suitability, client meeting frequency, etc., are detailed in the agreement. Your assets are not held at RJFSA or custodied through affiliate, RJA. Your RJFSA IAR is compensated through an advisory fee.
- **Solicitor OMM** – In solicitor OMM relationships, your RJFSA IAR solicits you on behalf of an OMM Manager. You enter into an agreement with the OMM, and affirm the solicitor relationship between RJFSA and the OMM. Responsibilities of each party to the agreement, which may address matters including minimum account size, suitability, client meeting frequency, etc., are detailed in the agreement. Your IAR provides you with a disclosure statement explaining the referral relationship and the terms of the referral compensation received. Your assets are not held at RJFSA or custodied through affiliate, RJA. Your RJFSA IAR is compensated through a solicitor fee.

The OMM Program is typically used to accommodate financial advisors joining our firm who have clients with pre-existing relationships with an outside money manager not otherwise available in our programs.

### Legacy Advisory Programs

We may have offered or sponsored other advisory programs to clients in the past and may no longer offer these programs to prospective clients for a variety of reasons. In those cases, active legacy advisory accounts established in those prior investment advisory programs continue to be managed under the pre-existing advisory program agreement.

### Wealth Advisory Services Program – Planning and/or Investment Consulting Services

Raymond James Wealth Advisory Services Program is designed to provide guidance on how to plan for overall financial life goals or professional advice on a specific financial goal to individual clients. Through this program, we offer certain planning or

investment advisory consulting services. All planning and investment consulting services are non-discretionary advisory services. You retain the decision-making authority for any recommendations or advice provided by us.

The planning services provided to individual clients typically take the form of a comprehensive or goal specific financial plan. These planning services may include, but are not limited to, a review of an individual's current financial situation, estate planning, insurance planning, education planning, retirement planning and/or capital needs planning. The investment consulting are designed to meet our clients financial goals, needs and objectives involving an analysis of a particular investment, or overall investment portfolio on client assets held externally from us. IARs may also assist the client in coordinating the implementation of any recommendations made, including referral to other practicing professionals.

In preparing a financial plan for you as a client, your IAR gathers information deemed relevant to the particular advisory service being provided through fact-finding meetings with you and through documents you provide and/or your completed risk profile questionnaire. Based on your selection of the planning and/or investment consulting services, you may be required to provide documentation such as current assets, income, investments, liabilities, and other relevant information for your IAR to effectively deliver the selected services.

Should you choose to implement the advice contained in the financial plan, your IAR will generally provide advice with respect to products and services offered through us and/or our affiliates as appropriate.

We provide assistance to our IARs with identifying potential investments and/or investment strategies. IARs may use these and other services when assisting clients with the recommendation and implementation of a financial plan, however, the decision to implement any recommendation rests exclusively with you as the client, and you have no obligation to implement any recommendations through us and/or our affiliates.

You may engage your IAR to provide a one-time or ongoing planning and/or investment consulting services which can be a targeted financial goal or comprehensive in nature. To receive planning and/or investment consulting services, you would generally complete the following steps.

**1. Complete a Services Agreement.** If wealth advisory services are provided, complete the Wealth Advisory Services agreement. Discuss which services are needed with your IAR.

**2. Understanding Your Goals, Needs and Objectives.** The planning process will begin with listing your goals – whether a new home, your child's education or retirement – and prioritizing them within a realistic plan that accounts for all of your income sources, liabilities and assets.

**3. Information Gathering.** We will gather information about your financial situation through fact-finding interviews and documents provided by you. We may ask you to bring your bank and brokerage account statements, loan documents, real estate holdings, retirement plan documents, insurance information and other relevant information. Your IAR may also ask you to complete a financial planning questionnaire.

**4. Analyzing Your Situation.** We will review the information you have provided and prepare an analysis that, depending on the complexity of your situation, may include items such as your current assets, income, investments, liabilities, short and long-term capital and liquidity needs, risk tolerance and short and long-term financial goals and objectives.

**5. Development and Proposal of the Plan.** All recommendations and advice are based exclusively upon information provided by you to your IAR. Your IAR will provide financial planning recommendations and guidance based on your personal goals, such as strategies to help fund retirement goals, liability management techniques, wealth protection strategies, and preparing to pass wealth to beneficiaries in an efficient manner. Based on your selection, the planning and/or investment consulting services may include an analysis of your financial information, which may include items such as your current assets, income, investments, liabilities, short and long-term capital and liquidity needs, risk tolerance and short and long-term financial goals and objectives.

## Financial Planning Services

Depending on your personal situation, the services you receive may focus around one or more of the following categories:

By Category	Description of Services
<b>Financial Planning</b>	May include budgeting, cash flow analysis, assessing current financial situation, defining financial goals, net worth statement, debt management, lifestyle planning, major buy/sell decisions, risk tolerance review, asset allocation design, portfolio holdings review and portfolio analysis
<b>Tax Planning*</b>	Tax strategies, tax distribution analysis, gift tax planning and capital gain/loss analysis.
<b>Insurance Planning</b>	Life insurance review, disability insurance review, needs analysis, disability, long-term care, risk management and liability insurance.
<b>Education Planning</b>	Tuition planning, education account reviews and education funding.
<b>Retirement Planning</b>	Retirement accumulation planning, income analysis, longevity planning, retirement account review and distribution analysis.
<b>Estate Planning</b>	Estate planning review and analysis, gift strategies, multigenerational planning, philanthropic planning and legacy planning.
<b>Business Planning</b>	Business succession planning, education workshop, buy/sell agreements, business insurance review and disability protection options.

\* Any information presented in a financial plan regarding potential tax considerations is not intended as tax advice and should not be relied upon for the purpose of avoiding any tax penalties. Our Firm and our IARs do not offer tax or legal advice. You should discuss any tax or legal matters with the appropriate professional.

## Investment Consulting Services

Depending on your personal situation, investment consulting services may provide general guidance around one or more of the following financial goals, and applies to investments held externally from us.

By Category	Description of Services
<b>Investment Consulting</b>	May include a client investment profile, a portfolio holdings review, asset allocation review and proposal and investment strategy recommendations
<b>Security and Investment Manager Research/Due Diligence</b>	Services related to security and investment manager research of asset class and sub-class analysis, sector, style, historic performance review

## Other Services

**Research.** We may, from time to time, issue special reports, charts, graphs, etc., to you. We may also offer investment advice on general matters such as business analysis, business succession and/or liquidations, and in manners not described above. We may also recommend that you use certain asset allocation services. Fees for these services are disclosed in the agreement you enter into with our Firm.

## Item 5 - Fees and Compensation

In the advisory programs and services described above, you are generally assessed an advisory fee which is calculated as a percentage of assets under management in the account, up to 2.25%. You can incur additional expenses outside of the advisory fee charged to you and more information about those expenses is provided in the [“Additional Expenses”](#) section below.

We are compensated for the advisory services described in this Brochure. Fees may be negotiated with your IAR based on a variety of factors, including the nature and size of your overall relationship with us and your advisor, anticipated investment services to be provided, and/or our or our affiliates' policies with respect to discounts. While the asset-based fees are negotiable, our standard fee schedule's asset-level breakpoints and applicable fee rate may not be modified in any way.

An inherent conflict exists in how we handle billing variations from the applicable fee schedule as compensation arrangements can result in higher gross compensation to the IAR from one advisory program or service to another. Please refer to the [“IAR Asset-Based Compensation”](#) section for more information. You may pay a higher fee than the fee listed in the standard fee schedule detailed below (but not more than the program's maximum fee) as a result of fluctuations in the your assets under management and/or account performance. We will not increase the total asset-based fee charged to your account without your prior consent.

We may offer lower advisory fees to our employees and our affiliates' employees for their personal advisory accounts.

## Standard Fee Schedules for OMM Programs

Advisory Fees range from 0.50% to 2.25%, depending upon the size of your account. The OMM will provide you with quarterly statements which will include your advisory fees. RJFSA will retain 10-15% of the advisory fee charged to you by the OMM.

## Fees for Planning and/or Investment Consulting Services

We receive fees for providing planning and/or investment consulting services through your IAR. You may negotiate planning and/or investment consulting fees with your IAR. Fees charged for these services may depend upon the anticipated time allocated to provide the services requested, the complexity of the plan or your financial situation. The services you selected and the fees you agree to in advance are disclosed in the appropriate client agreement signed by you. The fees for planning services can be structured as an hourly rate or fixed (flat) dollar fee, while investment consulting services may be assessed as an hourly rate, a fixed (flat) dollar, or a percentage of assets under advisement fee. Hourly fees for financial planning and/or investment consultation services are generally charged at a rate of up to \$400 per hour. Fixed rates may be charged a minimum of \$50. If charged as a percentage, the Fee is not to exceed 2.25% of the value of assets on which the investment consulting services are provided. However, some legacy or long established relationships continue to pay fees based on older fee schedules. Fees or commissions charged in the implementation of a plan through an account at our Firm or our affiliates may be used to discount or offset planning and/or investment consulting fees; however, note that such services and their accompanying fees or commissions would be provided and charged under a separate agreement than your Wealth Advisory Services agreement. It is possible that you may pay more or less for similar services than may be available through another firm. In addition, fees for planning and/or investment consulting services may be offered to our employees, family members and friends at a reduced rate.

## Billing for Planning and/or Investment Consulting Services

Fees associated with the planning and/or investment consulting services are disclosed in the Wealth Advisory Services agreement. The engagement begins at the time we accept the Wealth Advisory Services agreement. Fees are payable in accordance with the schedule selected, which may include payment at the start of, during or at the end of the contract period. Payment can be made by check, ACH or wire from your financial institution or by debit from an RJFSA non-qualified account designated by you. Billing frequency may occur on an annual, semi-annual, monthly or quarterly basis and be paid in part or full as elected in the Wealth Advisory Services agreement.



## Additional Bundled Service Cost Considerations

Your total cost of each of the services provided through our advisory programs, if purchased separately, could be more or less than the costs of each respective program. In addition, you may be able to obtain similar services for a lesser fee from other IARs within our Firm. Cost factors may include your ability to:

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

Some clients favor an asset-based fee arrangement because the fee sets their brokerage cost at a predetermined level. Other clients may favor a commission arrangement because they anticipate their accounts will have little trading activity. If you plan to follow a buy and hold strategy for the account or do not wish to receive ongoing investment advice or management services, you should consider opening a brokerage account rather than an advisory account. In a brokerage account, you are charged a commission for each transaction, and your registered representative has no duty to provide ongoing investment advice concerning the account. When assessing an advisory program's cost, you should consider the amount of trading activity you anticipate, other advisory programs offered by us, and factors such as commission rates, your investment experience and knowledge, and your availability to monitor and rebalance investments. We make no guarantees that the aggregate cost of a particular program is lower than that which may be available elsewhere. You should explore this subject thoroughly with your IAR to determine whether an asset-based fee or commission arrangement is appropriate for your needs.

## Additional Expenses

You may also incur charges for other account services not directly related to the advisory, execution and clearing services provided by us. Our advisory fee does not cover the expenses, charges, and costs listed below (not an all-inclusive list).

- Taxes (including unrelated business taxable income in retirement accounts and financial transaction taxes).
- IRA custodial fees.
- Safekeeping fees.
- Fees for legal or courtesy transfers of securities or other investments.
- Mutual fund/ETFs and annuity operating costs and expenses and mutual fund/ETF distribution fees, for more information refer to the ["Investment Costs"](#) section below.
- Transfer fees.
- Return deposit items (check/ACH).
- Wire fees (outgoing).
- Fees (including administrative fees) and other charges assessed by the OMM. Please refer to each OMM's Part 2A for more information.
- Any other charges imposed by law or otherwise agreed to by you with regard to transactions in your account.

If an IAR discusses matters relating to a planning and/or investment consulting service with other third-parties authorized by you, you may be charged a separate fee by those third-parties. If you maintain accounts with us, or if we assist you in implementing your financial plan, you will pay other fees in addition to the planning and/or investment consulting services fee as described above. Those services may be subject to fees, commissions or other expenses that are entirely separate from the payment of fees in connection with our planning and/or investment consulting services. This will add to the overall compensation that we receive. These additional fees will reduce the overall return of accounts you maintain with us. For more information about those additional expenses that you may incur when opening an account through us or implementing your planning and/or investment consulting services through RJFSA, please refer to the RJFSA Wrap Fee Program Brochure. A copy is available, upon request, from your IAR or you may visit our public website: <https://www.raymondjames.com/legal-disclosures>.

**Investment Costs** (relating to investments including Funds, annuities, alternative investments, market-linked investments, and unit investment trusts)

If you invest in mutual funds and/or ETFs or annuities as part of your portfolio, you also pay your pro-rata share of the annual management fees and operating expenses charged by open-end, closed-end mutual funds and ETFs and annuity companies. The cost structures of ETFs and mutual funds differ significantly, typically ranging from 1% to 1.5% for mutual funds versus .20% to .40% for ETFs. These are the underlying fees related to investment products you purchase within your advisory account. These annual management fees and operating expenses are assessed by the fund or annuity sponsor directly and not by us, and generally results in clients which use an investment manager or investment strategy that invests in these investment products paying more than clients using one that invests in individual securities or other investments, without taking into effect negotiated asset-based fee discounts, if any.

In addition, you pay sales charges, redemptions and other fees assessed by the mutual fund, ETF, annuity sponsor or alternative investment if any. 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. Redemption fees assessed by an alternative investment manager can be as high as 5% of your investment. 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 fund companies (and not us) to deter "market timers" who trade actively in mutual fund shares. If you intend to hold fund shares for an extended period of time, it may be more economical for you to purchase fund shares outside of our advisory programs. You may be able to purchase investment products directly from the product sponsor without incurring our advisory fee. In this case, you would not receive the services provided by our Firm which are designed, among other things, to assist you in determining which investment products are most appropriate to your financial condition and objectives. When purchasing directly from mutual fund/ ETF, annuity or alternative investment sponsor, you may incur a front- or back-end sales charge.

Lastly, distribution fees charged by mutual fund companies (also known as trails or 12b-1 fees) pursuant to Rule 12b-1 under the Investment Company Act of 1940 are included in the calculation of the mutual fund company's annual operating expenses. If received by us for positions held in advisory accounts, 12b-1 fees are credited bi-monthly to your account(s) as applicable. For additional information regarding 12b-1 fees, please see the ["Certain Fund Arrangements and Fund-Related Compensation"](#) subsection under ["Firm Compensation."](#)

Investment costs apply. When you invest in investment products managed by us, we or an affiliate will receive compensation for managing those investments and for other services they provide based on the amount you invest.

**These investment costs are, in addition to the advisory fee that you pay directly from your advisory account. They are paid indirectly by you, for example, as a shareholder in a mutual fund, through the product. They are not a direct fee deducted from your advisory account. Investment costs reduce the value of your investment in the product and reduce the investment performance of your advisory account.**

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/packaged-product-disclosures](http://raymondjames.com/legal-disclosures/packaged-product-disclosures).

For annuities, depending on the product, and as more fully described in the annuity contract, you may pay an early withdrawal fee if you cancel during the surrender charge period. Costs and fees vary between insurance products. Please refer to the annuity contract for a detailed description of charges you will incur.

Market-Linked Investments, also commonly known as Structured Investments, are specialized bonds (Market-Linked Notes) or bank CDs (Market-Linked CDs). In advisory accounts, purchases of Market-Linked Investments are not charged any sales commissions; however, clients who purchase Market-Linked Investments will still pay offering costs associated with issuing, selling, structuring and hedging the products. Such costs are paid to the issuer, included in the initial offering price, and disclosed in the offering documents.

In advisory accounts, purchases in Unit Investment Trusts ("UITs"): are not charged any initial or deferred sales charge; however, clients who purchase UITs will still pay any creation and development fees and any operational expenses incurred by the trust.

## Termination of OMM Programs/ Advisory Services

### Termination of the OMM Programs

Your advisory agreement with us for each of our advisory account programs may be terminated at any time upon providing notice to the other party. Termination of the OMM agreement will end any service engagement between you and our Firm and we will have no obligation to provide further services with respect to the terminated agreement. Please refer to the OMM client agreement and Form ADV Part 2A or equivalent brochure for information concerning terms and conditions associated with the termination of your agreement and details concerning the disposition of securities held within the OMM account.

### Termination of Wealth Advisory Services (Planning and/or Investment Consulting Services)

You may terminate the Wealth Advisory Services agreement without penalty within five (5) business days from the effective date of the agreement. You or our Firm may terminate the Wealth Advisory Services agreement by providing 10 days written notice to the other party, otherwise the agreement automatically terminates after the stated termination period. An early termination of the agreement results in a risk-based review to assess what portion of the selected services were provided, and if we need to process any refund of unearned fees as described in the Wealth Advisory Services agreement. Termination of the Wealth Advisory Services agreement will end this service engagement between you and our Firm and we will have no obligation to provide further services with respect to the terminated agreement.

## Compensation

### Firm Compensation

We provide a wide variety of financial services to individuals, corporations, and municipalities. We have business relationships with companies whose investment products and investment advisory programs we make available to our IARs and their clients. As a result of our recommendation to you, and your participation in one of our Programs or services, RJFSA and/or our affiliates receive compensation, outside of your advisory account Fee, from other parties, as described below. The term "compensation" in this section is used to describe the ways in which the Firm may be compensated (and therefore conflicted) by other parties and how we mitigate those conflicts.

The presence of compensation creates an incentive for us to recommend that you invest in Funds (or other investments) and share classes that pay higher fees to us or our affiliates. It is possible that these compensation arrangements also cause us and our affiliates to forego opportunities to negotiate more favorable financial terms for client investments in Funds or to recapture all or a portion of the amount of these fund-related compensation for your benefit. We or our affiliates may effect transactions for a Fund offered through one of our advisory programs, and any compensation paid to us or our affiliates by the fund manager or any of their affiliates is additional compensation to us for services we and our affiliates provide to them.

Our Firm, in managing advisory accounts, has a financial incentive to favor Funds that pay us education and marketing support fees ("E&M support fees"), networking and/or omnibus and other administrative fees further described above over Funds that do not. We also have an incentive to select those Funds that pay higher amounts of compensation to us for E&M support fees, networking and/or omnibus and other administrative fees over those Funds that pay lower amounts of compensation to the Firm. We also receive non-E&M support fees which are further described in the ["Other Compensation"](#) section below.

We address the conflicts of interests associated with the payment of compensation in the following ways. In this section, we disclose compensation we receive from product sponsors and other service providers. We have adopted various policies and procedures reasonably designed to prevent the receipt of compensation from third-parties from affecting the nature of the advice we and our IARs provide as described throughout this Brochure.

### Receipt of Sponsorship Fee Compensation from Product Sponsors or Service Providers

From time to time we or our affiliates may receive compensation from product sponsors and service providers in the form of sponsorship fees for seminars, meetings or conferences. Our receipt of these sponsorship fees is for the purpose of defraying costs associated with coordinating and hosting the sponsored event. These 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 our Firm and our affiliates. Due to the large number of product sponsors and service providers whose products are offered by us it is important to understand that not all product sponsors and service providers 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 and service

providers that participate in these events gain the opportunity to interact with our representatives, and it is anticipated that these interactions will result in additional sales of those products or services. Accordingly, a conflict of interest may exist where we offer presentation opportunities to those product sponsors and service providers willing to contribute sponsorship fees more frequently or in greater amounts than other product sponsors and service providers. However, consideration of product sponsors and service providers for event participation by us is based on the quality of the product sponsor or service provider and is not solely based on the anticipated sponsorship fees our Firm will receive.

Clients or potential investors that attend a training or educational meeting offered by their IAR where a product sponsor or service provider is in attendance should assume that the product sponsor or service provider has paid or reimbursed us or our affiliates for part or all of the total cost of the meeting or event, including travel costs.

## **Education & Marketing (“E&M”) Program Fees**

Through the Firm E&M Program, we receive compensation from product sponsors who offer securities and other investments/products, to both affiliated and unaffiliated investment advisers. These payments are intended to compensate us and/or our affiliates for a variety of education, marketing and other sales and support services.

In particular, our Firm and/or our affiliates receive a minimum E&M support fee up to \$75,000 to participate in the E&M Program and annual fees of up to \$25,000 from mutual fund companies for providing education, marketing and sales support services for our IARs that provide or seek to provide services to employer-sponsored retirement plans.

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 we or our affiliates receive from a particular mutual fund group/family will not exceed 0.30% (30 basis points) per year on mutual fund assets held through us. These payments are generally disclosed in detail in a particular mutual funds’ prospectus or SAI.

The actual amounts that we or our affiliates receive vary from one product sponsor to another depending on the level of support and types of services provided by our Firm. We do not collect E&M support fees on ERISA plan assets and certain fee-based retirement accounts.

More information about the E&M marketing support fees paid to us and/or our affiliates by our product sponsors including mutual fund companies, ETFs, annuities, alternative investments and trust sponsors is available on our public website at <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures>.

For a list of fund companies that have agreed to participate in our E&M 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 IAR, by contacting AMS by phone at (800) 248-8863, extension 74991, or by sending in a written request to: AMS, Client Services Department, 740 Carillon Parkway, St. Petersburg, FL 33716.

## **Certain Fund Arrangements and Fund-Related Compensation**

Only shares of those mutual fund companies with which our Firm has a selling agreement are available for purchase from us. Further, the mutual funds available for purchase generally includes, those fund companies that provide us or our affiliates with compensation, including but not limited to E&M Support (described above), Networking, and/or Omnibus fees (including Sub-Accounting, Sub-Transfer Agency, and Administrative Fees)(described below), and a few fund companies that do not pay such compensation but that we choose to offer to clients on our platforms(see link below under Networking and Omnibus Fees for a list of those mutual fund companies). Not all mutual funds available to the investing public will be available for investment with us, and you 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 our advisory programs, as described under the “[Advisory Business – Overview of Our Advisory Programs](#)” section, is determined by the mutual fund and disclosed in the fund’s prospectus. With respect to those funds that pay us and/or our affiliates compensation, we evaluate each share class for which the relevant advisory program is eligible, and aim to select the lowest cost available share class that includes a fee which compensates us for sub-accounting, recordkeeping, and related services (also known as “Sub-TA Fees”) at the individual account level. This means that we 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 we seek 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 we or an affiliate can collect Sub-TA Fees from the fund (or if a non-12b-1 paying share class is not available to us due to contractual reasons or otherwise), we 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 reduces the performance of your account. Your IAR does not have an incentive to recommend or select share classes that have higher expense ratios because his/her compensation is not affected by the share class selected.

We also select a 12b-1 share class instead of a non 12b-1 share class if necessary to be eligible to collect E&M Support payments from mutual fund advisers and affiliates. E&M Support payments are not paid out of fund assets and do not affect your investment performance. These 12b-1 fees, too, are rebated to your account(s). When evaluating the reasonability of the firm's compensation, you should factor in all types of compensation received by us and/or our affiliates 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 are available for investment through us, and we only make available money market funds that provide us or our affiliates with compensation for sub-accounting, recordkeeping, and related services at the individual account level. Certain money market funds may be approved as an investment option, but are designated as Administrative-Only assets as long as these funds are held in a fee-based account (during the time period that the positions is not fee eligible). Neither we nor your IAR 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 us 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. You should inquire as to the transferability, or "portability", of mutual fund shares prior to initiating a transfer.

### **Networking and Omnibus Fees (Sub-Accounting, Sub-Transfer Agency and Administrative Fees)**

We receive compensation from certain mutual fund companies for administrative, accounting, recordkeeping, sub-transfer agency or other services we and/or our affiliates provide. These payments for networking and omnibus services generally take the form of per account charges, a percentage of assets under management or flat dollar payments. The total amount of these payments may be up to 0.20% of total assets under management. We do not receive fees on ERISA plan assets and certain fee-based retirement accounts. For additional information, please visit: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures>.

For a list of fund companies that:

- have agreed to pay us and/or our affiliates 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>.
- For a list of fund companies that do not pay us and/or our affiliates 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 IAR, or by contacting AMS by phone at (800) 248-8863, extension 74991, or by sending in your written request to: AMS Client Services, 740 Carillon Parkway, St. Petersburg, FL 33716.

### **Shareholder Servicing Fees**

Certain mutual fund companies also pay us and/or our affiliates 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. Our Firm and/or our affiliates receive these shareholder services fees from certain mutual funds in amounts up to 0.25% annually of the assets invested in a particular mutual fund.

### **Other Services**

The subsidiary companies of RJ provide a wide variety of financial services to, among others, individuals, corporations, employer sponsored retirement plans and municipalities. For these services, our Firm and/or our affiliates receive compensation. As a result, we can be expected to pursue additional business opportunities with companies whose mutual funds we make available to our 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.

## Certain Alternative Investment Arrangements and Compensation

It is important for you to work with your IAR to evaluate how a particular alternative investment and its features fit your 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 you make an informed choice.

While each investment differs in terms of both total fees and expenses and how those fees and expenses are calculated, the following section discusses the primary categories of fees and expenses that are common to many alternative investments and the different ways that we, our affiliates and your IAR may be compensated.

**Management fees:** The manager for any particular investment often charges 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 decrease. Our Firm, our affiliates and/or your IAR 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. Our Firm, our affiliates and/or your IAR may share in any incentive-based compensation to which an investment manager is entitled, which can be up to 100% of the incentive fee collected by an investment manager.

**Upfront or ongoing servicing fees or placement fees:** Many alternative investments have upfront costs directly related to compensating your IAR, our affiliates and/or our Firm. These fees are generally based on the total amount of your investment, up to 5%. Ongoing servicing fees can be as high as 4% of the value of your investment.

**Redemption fees:** Some investments 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. Redemption fees assessed by a manager can be as high as 5% of your investment.

**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.

Please refer to the offering documents and/or prospectus for fees and other expenses you may incur relating to your investment. Your IAR will answer any questions regarding the total fees and expenses and the initial and ongoing compensation that your IAR, our Firm and/or our affiliates may receive.

## Financial Incentives Involving Co-branded Credit Cards

Through RJA, we offer co-branded credit cards through Elan Financial Services ("Elan"), a company within U.S. Bank. U.S. Bank and RJFSA are separate and non-affiliated companies. If a client applies for an Elan credit card through RJA, RJA receives \$100 for each approved application. RJA's credit card program offers consumer and business credit cards. RJA 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 us and/or our affiliates by Elan on a periodic basis. The term net refers to the amount of purchases minus returns, chargebacks and refunds. These payments are not shared with your IAR. 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 us. For more information about our 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>.



## Options for Assets Invested in Employer-Sponsored Retirement Plan Accounts

If you have employer-sponsored retirement plan assets, you may have several choices as to what to do with your assets when you retire or change jobs. Providing education to a client or prospect on the rollover of employer-sponsored retirement plan assets could include discussion of the following general educational topics:

1. General options that may be available to a person in the prospect/client's situation (e.g., remaining in the employer-sponsored retirement plan if the plan permits, rolling to a new workplace retirement plan if one is available, rolling to an IRA).
2. General information about the significant features of each option
3. Factors the prospect/client may want to consider in assessing those options

Our Firm and your IAR have a financial incentive for you to rollover an IRA because of the compensation we receive when you transfer funds from an employer-sponsored retirement plan or from another IRA. If you decide to open a brokerage or advisory account, we will be paid on those assets, through commissions or advisory fees. You should be aware that any commissions or advisory fees charged likely will be higher than those fees you paid through your employer-sponsored retirement plan, and there can be additional expenses associated with the account. Please refer to the "[Additional Expenses](#)" section for more information.

## Intercompany Payments Between Affiliates

Our Firm and our affiliates make certain intercompany payments to compensate each other for performing various administrative and research services. Additional details relating to our intercompany payments between affiliates associated with our wrap fee programs can be found in the RJFSA Wrap Fee Program Brochure. A copy is available, upon request, from your IAR or you may visit our public website: <https://www.raymondjames.com/legal-disclosures>.

## Other Compensation

RJA receives other compensation associated with the sale of certain products as listed below. These compensation arrangements are further described in the "Important Client Information" document located on our public website: [www.raymondjames.com/ICI](http://www.raymondjames.com/ICI). This information is also included as part of your Welcome Kit, which is mailed to your address of record, upon account opening.

- Payment for Order Flow: We route order flow through our broker-dealer. For more information regarding RJA's order routing practices, please visit our public website: <http://www.raymondjames.com/orderrouting>.
- Derivative transactions through RJ Capital Services.
- Sale of market-linked certificates of deposit and market-linked notes: Specific fees related to the offering are fully disclosed in the final pricing supplement. *For more information, please visit our public website: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures>.*
- Sale of Invesco Raymond James SB-1 Equity, refer to the product prospectus for compensation information.
- Sale of equity-linked notes: Specific fees related to the offering are disclosed in the offering documents. For more information, please visit our public website: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures>.

### Other Administrative and/or Service Related Fees

Outside of our E&M Program, we receive compensation from other product sponsors and service providers who offer securities and other investments or services to both affiliated and unaffiliated investment advisers. These payments are intended to compensate us and/or our affiliates for a variety of administrative and/or distribution related services and support.

The structure of payments varies among product sponsors and service providers. These payments are generally disclosed in detail in a particular sponsor's product prospectus where applicable. More information about the other administrative and/or service related fees paid to us and/or our affiliates by our product sponsors and service providers including but not limited to mutual fund, ETF, annuity, insurance, alternative investment, market-linked investment, and trust sponsors, is available on our public website: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures>.

## IAR Asset-Based Compensation

As mentioned in the [“Fees and Compensation”](#) section, you pay an advisory fee for the advisory services and advisory programs described in this Brochure. Generally, we share a portion of the advisory or solicitor fee you pay for the OMM Program and/or planning and/or investment consulting services with your IAR and in turn, your IAR may share a portion of his or her compensation with other IARs with whom he or she has made certain arrangements. If your IAR is affiliated with a financial institution, he or she may be compensated directly through the financial institution. Please refer to the [“Networking Arrangements with Financial Institutions”](#) section for more information.

IARs are typically compensated based on their annual gross revenue generation, whereby higher gross revenue generally results in higher payouts. The compensation your IAR receives is often referred to as a “grid” or “net” payout and is not dependent (or variable) upon the type of transaction entered into with, or product/service provided to, you. As a result, the IAR’s gross fee compensation is generally higher when the advisory fee for advisory services or account programs is higher. In addition, one IAR’s grid payout may be higher or lower than another IAR’s based on their individual gross revenue). We reserve the right to modify the IARs, our Firm and/or the OSM manager’s (if applicable) compensation at any time without prior notice to you.

As a result of a recommendation to you, and your participation in one of our OMM Programs or planning and/or investment consulting services, your IAR receives compensation from our Firm or other parties as described below. You should be aware of the following about your IAR’s compensation as an IAR, and in some cases, as a registered representative of RJFS, our affiliated broker-dealer, the conflicts of interest created by the IAR’s compensation and how we mitigate those conflicts of interest. An IAR’s compensation may be more or less than what your IAR would receive if you paid separately for investment advice, brokerage, and other transaction-based services. Your IAR may have a financial incentive to recommend a wrap fee Program rather than recommending an alternative product, program, or service, if comparable or if available separately to clients. The reverse may also be true. The lack of compensation adjustments may provide a disincentive to an IAR to recommend a wrap fee Program over an alternative product, program, or service available to you through us. You should be aware of these arrangements and should consult your IAR for additional details regarding their compensation levels in fee-based accounts.

We mitigate these 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 your stated objectives and strategies. The term “leveling”, in this case, refers to the practice of paying all fees and commissions to an IAR at the same rate. For example, if the IAR’s payout with us is 85%, we will pay 85% of the payout to the IAR, regardless of the account type or investment product. Your IAR may also receive the following financial incentives:

*Participation in recognition clubs:* At the conclusion of each year, qualifying IARs are awarded membership in the Raymond James Financial Services, Inc.’s recognition clubs. Qualification for recognition clubs is based upon a combination of the IAR’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 IAR, and as a result, the IAR is incentivized to increase his or her gross production (that is, increase commissions and advisory fees) to obtain the required recognition club level. Recognition club members will receive invitations to trips and/or conferences, and will also receive incentive compensation in the form of cash payments, stock options, and restricted stock units. You should be aware of these arrangements and consult your IAR for additional details.

*Financial incentives for initial/ongoing affiliation with us:* In addition to compensation, we provide IARs with access to financial incentives for affiliating with our Firm. These arrangements include, but are not limited to transition assistance, production awards, enhanced pay-outs, repayable business transition or working capital loans, administrative fee reimbursements, attendance at our conferences and events, marketing services and materials, and other valuable financial incentives. Based on these arrangements, your IAR is incentivized to recommend that you open and maintain accounts for advisory and/or brokerage services. These incentives may influence your IAR’s recommendation that you transition your account(s) to the Firm.

*Other Forms of Non-Cash Compensation:* Our IARs may receive promotional items, meals and entertainment or other non-cash compensation from product sponsors as investment companies, alternative investment sponsors, annuity sponsors, trust sponsors and investment advisers. Marketing representatives of mutual fund companies and other product investment companies, often referred to as “wholesalers”, work with our IARs and their branch office managers to promote their investment products. Consistent with applicable laws and regulations, these product investment companies may pay for or provide training and educational programs for our IARs and their existing and prospective clients. Product investment companies may also pay us, 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 investment products. Non-cash compensation can vary by vendor and event. The receipt of cash and non-cash compensation from product sponsors may create an incentive for IARs to recommend certain investment products over others. Other compensation may include:

- Occasional gifts up to \$100 per vendor per year
- Occasional meals, tickets or other entertainment of reasonable and customary value
- Sponsorship support of educational or training events (which include educational events IARs may arrange for clients and prospects)
- Seminars and/or payment of expenses related to training and education of employees
- Various forms of marketing support and, in certain limited circumstances, the development of tools used by us for training or record-keeping purposes.

Your IAR must provide advice based on your best interests and without regard to how much compensation he or she receives. We seek to address these conflicts of interest through a combination of disclosures to you. Additionally, we seek to address these conflicts of interest through our policies, procedures and supervision, related to the review and determination that an advisory account is appropriate for you based on your financial and risk profile information and investment objectives (“Client Profile”) in accordance with all applicable regulatory requirements. For the Wealth Advisory Services Program, we monitor conflicts of interest by performing risk-based reviews of planning or certain investment consulting arrangements. Please refer to the [“Review of Accounts”](#) section for more information.

Because each OMM Program is distinctive and offers a different bundle of services, the Fee paid by you is allocated within the Firm differently from one Program to another. As a result, a IAR may have a disincentive to recommend certain of our advisory programs to clients with smaller accounts that otherwise would meet the standard account minimum for each respective advisory Program. Your IAR may not offer you all of the Programs available from us for which you may be eligible to participate. As a result, your investment options and the level of investment diversification you may achieve may be limited. To ensure your IAR is providing appropriate advice, we monitor the appropriateness of existing advisory accounts on an ongoing basis by conducting various reviews, such as account concentration and household account transaction activity. We also encourage you to discuss all available options with your IAR.

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

We do not manage any accounts or provide advisory services where we are compensated under a performance-based fee arrangement. In addition, we do not permit our IARs to provide advisory services where their compensation is paid pursuant to a performance-based fee arrangement and we do not provide side-by-side management.

## **Item 7 - Types of Clients**

We provide advisory programs and planning and/or investment consulting 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.

### **Account Minimums**

Account minimums will vary by OMM Program. Please consult with your IAR or refer to the OMM’s Form ADV Part 2A or Wrap Fee Brochure for specified minimums, which is available from your IAR, upon request.

While we do not require a minimum asset amount for planning and/or investment consulting services for individuals, you should consult with your IAR to determine whether there are any minimum asset requirements as a condition of accepting you as a client. You will be required to complete the Wealth Advisory Services agreement and pay fees as noted in the agreement.

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

We and our IARs recommend and offer a broad spectrum of investment products, programs and strategies (subject to our Firm supervision and compliance requirements). Before implementing your financial plan or acting on any investment advice or recommendation, you should consider carefully your decision to purchase products or services through us.

For information about those analyses and strategies used by Managers in the OMM Program, please refer to the individual OMM's investment management agreement, Form ADV Part 2A or equivalent brochure.

## Methods of Analysis

When delivering planning and/or investment consulting services to you, your financial advisor may use asset value, current and projected return, and other assumptions you provide, as well as historical return analysis prepared by our Firm or an affiliate. Your financial plan may be prepared through the use of one or more computer software packages that take a needs-based approach to analyze your goals using one or more methods of analysis, including deterministic and probability modeling. We cannot guarantee future financial results or the achievement of your financial goals through implementation of your financial plan and/or any advice or recommendations provided to you. The analysis and projections generated by the tools or other analysis described in this section include information regarding the likelihood of various potential investment outcomes. They are hypothetical in nature, vary depending on which tool of analysis is used and with each use and over time, do not reflect actual investment results, and are not guarantees of future results. The likelihood of success varies based on differing assumptions, on different tools and from one review period to the next based on changing circumstances and market information. Results reflect one point in time only and are only one factor you should consider as you determine how to proceed, post-delivery of your financial plan or investment consulting analysis.

Your financial plan also may include an asset allocation analysis designed to assist you in positioning your investment assets. If your financial plan includes an analysis, the recommended portfolio allocation is determined based on a variety of factors, including your personal financial information and the historical and anticipated performance of different asset classes. The analysis is meant only to illustrate the relative experience among asset classes and portfolios. Any information presented in a financial plan regarding potential tax considerations is not intended as tax advice and should not be relied upon for the purpose of avoiding any tax penalties.

Our planning and/or investment consulting services do not include day-to-day performance review of your specific investments, rebalancing your portfolio or reallocating your target asset allocations on a continuous basis.

## Investment Strategies

Your financial advisor may recommend long-term strategies as part of your financial plan, such as dollar-cost averaging, reinvestment of dividends or other proceeds on investments, and asset allocation. Recommendations may also be made to help you realize capital gains or losses on securities or investment products that you own. These transactions may have tax consequences for non-qualified accounts. In many cases, we will recommend services or programs offered through our Firm or through our affiliates. Please refer to the ["Other Financial Industry Activities and Affiliations"](#) section for information on investment products and services offered by us and our affiliates.

Our Firm and our financial advisors 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, our Firm and our financial advisors 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).

## Tax Considerations

*Internal Revenue Service ("IRS") Circular 230 Disclosure:* Our Firm, our 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 us are not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purpose of avoiding tax penalties. Taxpayers should seek advice based on the taxpayer's particular circumstances from an independent tax professional.

## General Risks Associated with Portfolio Investments

Investing involves risk, including loss of principal, which you should be prepared to bear. Asset allocation and diversification does not ensure a profit or protect against a loss. No one particular security, investment product, investment style, strategy or Manager is appropriate for all types of investors. While not an all-inclusive list, the following are types of investment risks that could affect the value of your portfolio, depending on the selected investment product(s) and the portfolio of investments:

- **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 like a pandemic or other communicable diseases 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.
- **Call Risk:** The risk that your bond investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.
- **Manager Risk:** The risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.
- **Credit Risk:** Generally, bonds with a lower credit rating indicate a higher potential for financial risk and will generally command a higher offering yield. Conversely, bonds with a higher credit rating indicate less likelihood for financial difficulties and generally provide a lower yield to investors. The absence of a rating may indicate that the issuer has not requested a rating evaluation, insufficient data exists on the issuer to derive a rating, or that a rating request was denied. Non-rated securities tend to be more speculative in nature and are less liquid. Although rating agencies assist in evaluating the creditworthiness of an issuer, ratings are not recommendations to buy, sell or hold a security, nor do ratings remove market risk. In addition, ratings are subject to review, revision, suspension, reduction, or withdrawal at any time, and any of these changes in ratings may affect the current market value of your investment. A rating agency may also place an issuer under review or credit watch which may be another indicator of a future rating change. Your trade confirmations, online accounts, and monthly statements display only the ratings of those rating agencies to which we subscribe.
- **Default Risk:** An issuer's inability to remain solvent and pay any outstanding debt obligations in a timely manner. Adverse changes in the creditworthiness of the issuer (whether or not reflected in changes to the issuer's rating) can decrease the current market value and may result in a partial or total loss of an investment.□
- **Interest Rate Risk:** Generally, as interest rates rise, the price of a bond will fall and conversely, as interest rates fall, the price of a bond will rise. The yield offered on bonds is based upon a collective associated-risk evaluation, coupled with a market-determined spread over a similarly traded riskless transaction (historically measured versus a similar maturity Treasury bond). As interest rates fluctuate, the yield on most bonds will be adjusted accordingly.□
- **Purchasing Power Risk:** The risk that, over time, inflation will lower the value of the returned principal. This means that an investor will be able to purchase fewer goods and services with the proceeds received at maturity.□
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry.
- **Liquidity Risk:** Liquidity represents 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 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. Senior debt instruments (e.g., secured bonds) generally have a higher priority of payment if an issuer's financial strength declines than equity investments (e.g., common stocks). A company facing financial challenges generally must stop paying dividends to shareholders before interrupting interest payments to bondholders.
- **Correlation Risk:** 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:** The risk that a party to a contract will not live up to (or will default on) its contractual obligations to the other party to the contract.
- **Valuation Risk:** 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:** 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:** Managers or strategies 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.
- We must rely in part on digital and network technologies to conduct our business and to maintain substantial computerized data relating to client account activities. These technologies include those owned or managed by us as well as those owned or managed by others, such as financial intermediaries, pricing vendors, transfer agents, and other parties used by us to provide services and maintain our business operations. These technology systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond our or our 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.
- **Political and Legislative Risk:** Companies face a complex set of laws and circumstances in each country in which they operate. The political and economic environment can change rapidly and without warning, with significant impact, especially for companies operating internationally or those companies who conduct a substantial amount of their business internationally. Political and legislative events anywhere in the world may have unforeseen consequences to markets around the world.
- **Concentration Risk:** The risk of amplified losses that could occur from having a large portion of holdings in a particular investment, asset class, or market segment relative to the investor's overall portfolio.

Other product/ sector specific risks include the following:

- **Sector-specific investing:** Investors considering these programs should recognize that managers/disciplines which invest a portion or all of a client's assets with a sector emphasis may lead to increased volatility; and therefore long-term investment horizon of five or more years is recommended. Investors should also be aware that concentrated accounts, also known as "non-diversified" or "focused" accounts, generally hold less than 15 stocks. Therefore, accounts may have over-weighted sector and issuer positions, and which result in greater volatility and risk.
- **Small Cap Investing:** If you are considering small-cap investments or objectives in which a portion or all of your assets are invested in small-cap disciplines, you should recognize the securities selected within small-cap disciplines 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, may have lower trading volume and greater spreads between the purchase and sale prices of their 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.
- **International Investing:** Investors considering an international / global investment 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 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. Investments in international disciplines may be subject to foreign financial taxes. Certain strategies gain international investment exposure by investing in ADRs and similar depositary receipts. ADRs are the receipts for the shares of a non-U.S.-based company traded on U.S. exchanges. Accounts of large institutional clients may hold ordinary non-U.S. securities (sometimes referred to as "ORDs") directly (instead of or in addition to ADRs). You should carefully review your asset allocation objectives and risk tolerance before selecting a manager or discipline that invests internationally.

- **Equity Risk:** Strategies that invest in equity securities are subject to the risk that stock prices may fall over short or extended periods of time. Equity markets tend to move in cycles, and the value of each strategy's equity securities may fluctuate drastically from day-to-day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in the strategies we offer. 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 investment horizon should generally be long-term, but not less than three years.
- **Limited Partnerships:** Certain 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.
- **Fixed Income Risk:** Investors considering a fixed income investment or discipline generally seek consistent returns with lower risk, and their tolerance for risk/volatility will accept only infrequent, minimal losses. Because of the less volatile nature of the disciplines, a fixed income investor may have a shorter investment horizon than equity and balanced investors, although the objective can accommodate investors with longer term investment 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 securities, 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.
- Most CMOs are agency CMOs. Agency CMOs are not rated by any rating agencies, but are generally considered to have an implied AAA rating because they are guaranteed by the Government National Mortgage Association (Ginnie Mae), the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Association (Freddie Mac). This rating however is subject to upgrades and downgrades based on the credit rating of the US Government debt. AAA implied rated CMOs will have more volatility than AAA rated U.S. Treasuries or corporate bonds during periods of rising interest rates because of negative convexity; that is slowing prepayments causing increased duration, or "extension risk." CMOs may not be appropriate for some investors, especially if the timing of return of principal is a primary concern as the security carries interest rate and prepayment risks. The yield and average life of a CMO will fluctuate, depending on the actual prepayment experience and changes in current interest rates thus impacting the return on a portfolio. Convertible securities combine the fixed characteristics of bonds and preferred stock with the potential for capital appreciation; they 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.
- **Municipal securities:** Municipal securities typically provide a lower yield than comparably rated taxable investments in consideration of their tax-advantaged status. Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Please consult a tax professional to assess the impact of holding such securities on your tax liability.
- **Mutual funds, ETFs and other pooled investments:** 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 NAV. 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.
- 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.
- **Speculative securities:** Investing in speculative securities, such as low-priced stocks and newly issued equity securities, as well as securities of historically unprofitable companies, involves more than average risk and such securities can experience volatile price behavior. For example, with respect to new industries, stocks issued by relatively unproven companies typically have valuations that materially exceed valuations based on traditional business methods. Although



prospective investment returns may be higher than normal, only investors capable of sustaining the complete loss of their investments should purchase speculative securities.

- **Alternatives:** 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 than and substantially different from 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 the 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 prices can be volatile, market movements are difficult to predict, and financing sources and related interest rates are subject to rapid change. One or more markets may move against the derivatives positions held by an account, thereby causing substantial losses. Most of these instruments are not traded on exchanges but rather through an informal network of banks and dealers who have no obligation to make markets in them. Further, there are risks involved in borrowing and lending against derivatives. Banks and dealers can apply essentially discretionary margin and credit requirements (and thus in effect force a position to close). Derivatives, primarily futures and forward contracts, generally have implied leverage (a small amount of money to make an investment of greater value). In addition, some derivatives carry the additional risk of failure to perform by the counterparty to the transaction. Many unforeseeable events, such as government policies, can have profound effects on interest and exchange rates, which in turn can have large and sudden effects on prices of derivative instruments. Because of this, extensive use of derivatives may magnify any gains or losses on those investments as well as the risk of any fund or strategy using derivatives.
- **Managed futures strategies:** Managed futures strategies may seek exposure to different asset classes, such as equity securities, fixed income securities, commodities, currencies, interest rates and indices. Investing in managed futures involves risks, including but not limited to, liquidity risk and risks associated with commodities, currencies and other non-traditional assets, leverage, derivative instruments and complex strategies. Other risks may include: market risk, fixed income securities risk, interest rate risk, credit risk, foreign issuer and investment risk and emerging market risk. Investors investing in these strategies should have a high tolerance for risk, including the willingness and ability to accept significant price volatility, potential lack of liquidity and potential loss of their investment.
- **Hedge fund replication strategies:** 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 market risk over volatile periods.

These investments can be illiquid, are not always required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds, may charge high fees, in many cases the underlying investments are not transparent and are known only to the Manager and may be more concentrated than other investments. Investors should carefully review and understand offering documents for these investments.

- **Precious metals and other commodities:** 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 securities are held. Therefore investments in precious metals and other commodities 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.
- **Arbitrage strategies:** 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 a convertible bond and sell the underlying stock or vice versa, because of perceived mispricing. Another arbitrage strategy is merger arbitrage, where managers buy the stock of a new company resulting from a merger transfer and sell the stock of the acquiring company.
- **Global macro strategies:** 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. Certain strategies gain international investment exposure by investing in ADRs and similar depositary receipts. ADRs are the receipts for the shares of a non-U.S.-based company traded on U.S. exchanges. Accounts of large institutional clients may hold ordinary non-U.S. securities (sometimes referred to as “ORDs”) directly (instead of or in addition to ADRs).

- *Long/short strategies:* Long/short is a strategy in which Managers can go long (buy) in the stocks of companies/sectors which are believed to be undervalued and for which the manager has a positive outlook while simultaneously shorting (selling) companies/sectors which are believed to be overvalued and for which the manager has a negative outlook. 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.
- *Structured investments:* Market-Linked Investments, also commonly known as Structured Investments, are specialized bonds (Market-Linked Notes) or bank CDs (Market-Linked CDs) whose performance is linked to specific markets (such as equities, equity indices, commodities or currencies) over a set period. Market-Linked Notes (MLNs) and Market-Linked CDs (MLCDs) are not suitable for all investors. The following risks are often associated with owning Market-Linked Investments: Market risk, equity risk fixed income risk, credit risk, liquidity risk, call risk, correlation risk, valuation risk, tax risk, and principal risk. Investors should consult their financial advisor for investment advice and read all applicable offering documents before investing. Investors should carefully review the risk factors section in the relevant offering documents for a complete description of all risk factors. MLNs and MLCDs are subject to fees and costs, which may include commission paid to your financial advisor, structuring and developments costs, and offering expenses. There are also trading costs including costs to hedge the product. Please refer to the offering documents for a full list of fees. Market-Linked Investments are priced using evaluations which are typically model-based and do not necessarily reflect actual trades. The complete costs associated with issuing, selling, structuring and hedging Market-Linked Investments are not fully deducted upon issuance, but over time. As such, initial statement evaluations are expected to be higher than the current estimated market values during this initial period. Beyond this period, the statement price evaluations suggest the current estimated market values, which can be higher or lower than the amount you would receive in an actual sale. These estimates assume normal market conditions and are based on large volume transactions. Market prices of Market-Linked Investments may be affected by several risks, including without limitation: market risk, interest rate risk, default risk, credit risk, and liquidity risk.

## Item 9 - Disciplinary Information

Below is a summary of our material legal and disciplinary events during the last ten years. As of the date of this 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 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 (for example, pending complaints and arbitrations) which are not required to be reported by investment advisers. 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 [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), as well as FINRA's website, at [www.finra.org/brokercheck](http://www.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.

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

- On June 29, 2011, RJA 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. In connection with ARS, our principal broker/dealers, RJA and RJFS, were subject to investigations by the SEC, certain states led by Florida's Office of Financial Regulation, and the Texas Securities Board regarding the 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 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, some 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 and left thousands of investors, including some of Raymond James' customers, holding ARS that they had, in some cases, 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; (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 involved in the settlement include Florida, Texas, Alabama, Alaska, Arkansas, Colorado, Delaware, Georgia, 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. Additional states not listed above may join the settlement.

- On March 11, 2019, the SEC issued an order regarding the conduct that RJFSA had self-reported to the SEC. Specifically, the SEC found that at times during the period of January 1, 2014 to February 16, 2018 (the "review period"), RJFSA purchased, recommended, or held for advisory clients mutual fund share classes that charged 12b-1 fees instead of lower-cost share classes of the same funds for which the clients were eligible; and RJFSA did not disclose in its Form ADV or otherwise the conflicts of interest related to (a) its associated persons' receipt of 12b-1 fees, and/or (b) its selection of mutual fund share classes that pay such fees. The SEC found that, as a result of that conduct, RJFSA violated Sections 206(2) and 207 of the Investment Advisers Act of 1940. RJFSA neither admitted nor denied the SEC's findings. In mid-2018, RJFSA self-reported to the SEC, pursuant to the SEC's Share Class Selection Disclosure Initiative, conduct related to its mutual fund share class selection practices and the fees its affiliated broker, RJFS, and associated persons received pursuant to Rule 12b-1 under the Investment Company Act of 1940.
- As part of its settlement with the SEC, RJFSA consented to a cease-and-desist order and to pay \$6,877,048.11 (representing 12b-1 fees received during the review period and reasonable interest) to affected investors. It also agreed to review and correct as necessary all relevant disclosure documents concerning mutual fund share class selection and 12b-1 fees, and certain other related undertakings as well. RJFSA credited affected investors in early 2019.
- 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 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 have made inquiries into this matter as well.

## STATE OF MASSACHUSETTS

- On June 9, 2017, the State of Massachusetts alleged RJFSA failed to register an investment adviser representative who had a place of business in Massachusetts and to ensure the investment adviser representative was properly registered with the State. The State ordered RJFSA to pay a fine of \$75,000, which it paid on June 14, 2017.



## FINANCIAL INDUSTRY REGULATORY AUTHORITY (THE SUCCESSOR TO NASD)

- On September 29, 2011 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. 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.
- On September 29, 2011 FINRA alleged that the automated commission schedule Raymond James Financial Services, Inc. utilized to assess commissions on the purchase and sale of primarily low priced-securities resulted in unfair and unreasonable commissions. Without admitting or denying the findings the Firm consented to a censure and fine of \$200,000, and was ordered to pay \$795,568 plus interest in restitution. The Firm paid this on September 29, 2011.
- On March 29, 2012 Raymond James Financial Services (RJFS) agreed to resolve a FINRA matter involving its anti-money laundering program from January 2005 through July 2007. Although FINRA's investigation was prompted by an illegal scheme that was conducted by a former RJFS client, none of the client's activities involved anyone associated with RJFS, including the client's financial advisor. Following its investigation, FINRA acknowledged the activities of the client in question were detected by the Firm's monitoring systems, but alleges our investigation was inadequate. RJFS has agreed, without admitting or denying FINRA's allegations, to resolve this matter by paying a \$400,000 fine and certifying that its anti-money laundering procedures are adequate.
- On March 8, 2016, 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. 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.
- On May 18, 2016, FINRA entered findings that Raymond James violated FINRA Rules 2330(d), 3310(a)&(b), 4511 and 2010, NASD Rule 3010(b) and 3012(a)(2)(B)(i), Exchange Act Rule 17a-4(b) and Section 5 of the Securities Act by failing to (i) establish and implement policies and procedures to reasonably detect and cause the reporting of suspicious transactions; (ii) reasonably enforce its due diligence procedures for certain correspondent accounts of certain foreign financial institutions (FFIs) and had no reliable periodic review process in place for to ensure that the activity in the FFIs' accounts was consistent with representations made by FFIs at the time of account opening; and (iii) establish, maintain and enforce a supervisory system reasonably designed to achieve compliance with Section 5 with respect to low priced securities. Without admitting or denying the findings the Firm consented to a censure and fine of \$9,000,000 and required to conduct a comprehensive review of the adequacy of its anti-money laundering and supervisory policies, systems, procedures and training.
- On March 2, 2017, 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. 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 an undertaking to revise its written supervisory procedures concerning the monitoring of its trading in convertible bonds.
- On December 21, 2017, FINRA entered findings that Raymond James Financial Services (RJFS) violated NASD Rules 3010 and 2110 and FINRA Rules 3110 and 2010 by failing to establish and maintain adequate supervisory systems and processes for reviewing the email communications of its personnel. The findings state that RJFS failed to: (i) implement an adequate email surveillance system, (ii) devote adequate personnel and resources to the team that reviewed emails, (iii) appropriately apply email surveillance policies at branch offices using their own email servers, and (iv) periodically

test the configuration and effectiveness of the system., Without admitting or denying FINRA's findings, RJFS consented to a censure and fine of \$2,000,000 and is adopting and implementing supervisory policies to address the deficiencies.

- On November 6, 2019, FINRA entered findings that RJFS 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. RJFS consented, without admitting or denying the finding, to the entry of a censure and agreed to pay restitution in the estimated amount of \$4,203,182 to certain 529 plan customers. As a result of RJFS's extraordinary cooperation to FINRA's investigation, this matter was resolved without a monetary fine.

#### **NEW YORK STOCK EXCHANGE, INC. ("NYSE")**

- On May 8, 2018, 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. 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 submitted a written report confirming it had completed remediation of all the LOPR issues identified within 120 days of May 8, 2018.
- On October 19, 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.

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

We are an investment adviser registered with the SEC. Your IAR may also be a registered representative of RJFS, an affiliated broker-dealer. As a registered representative of RJFS, your IAR may receive additional compensation, such as commissions and/or trail fees for recommending transaction-related services to you in a brokerage account through RJFS. Registered representatives of RJFS and investment adviser representatives of RJFSA as independent contractors for employment purposes. For the portion of the RJFSA IAR population not associated with RJFS, the advisory programs and services they offer to you will be limited to the advisory programs and services described in this Brochure and in a separate wrap fee program brochure. A copy of the RJFSA Wrap Fee Program Brochure is available, upon request, from your IAR or you may visit our public website: <https://www.raymondjames.com/legal-disclosures>.

#### **Material Business Relationships**

Through RJF, we are affiliated with broker/dealers, investment advisers, mutual funds, a bank, a trust company, limited partnerships and an insurance agency. A chart of those material relationships and arrangements we have with advisory affiliates and other parties under common control with our Firm are provided below. Following the chart is a description of associated material conflicts of interest and how we address them. If you choose to use other advisory programs offered through us, detailed compensation arrangements associated with those programs are described in the RJFSA Wrap Fee Program Brochure. A copy is available, upon request, from your IAR or you may visit our public website: <https://www.raymondjames.com/legal-disclosures>.

Type of Entity	Affiliate Name	Description of Services Performed	Ownership Relationship
<b><u>Dual Registrant (Broker-Dealer/Investment Adviser)</u></b>	Raymond James & Associates, Inc.	Dual licensed representatives of RJA provides brokerage services and advisory services to clients; RJA-sponsored programs are available to RJFSA advisory clients. RJA also acts as a market maker and engages in investment banking activities	Wholly owned subsidiary of RJF
	Raymond James (USA) Ltd. ("RJLU")	SEC-registered, Canadian entity; Provides discretionary and non-discretionary advisory and financial planning services to individuals, trusts, non-profits and corporations, primarily to U.S. clients, Dual licensed representatives of RJL are permitted to provide discretionary investment advisory services to U.S. clients on behalf of RJLU	Wholly owned indirect subsidiary of RJF
	Raymond James Ltd. (RJL)	Registered representatives of RJL provide brokerage services; Provides investment advisory services and products to Canadian clients	Wholly owned subsidiary of RJF
<b>Broker-Dealer(s)</b>	Raymond James Financial Services, Inc.	RJFS is an introducing broker and registered representatives of RJFS provide brokerage services to clients	Wholly owned subsidiary of RJF
<b><u>Investment Adviser(s)</u></b>	Carillon Tower Advisers, Inc.	Provides investment advisory services to its proprietary mutual funds, the Carillon Family of Mutual Funds (for a list of fund names refer to "Carillon Family of Funds" below).	Wholly owned subsidiary of RJF
	Eagle Asset Management, Inc.	Acts as a subadviser to Carillon Family of Mutual Funds; Acts as an SMA Manager or Model Manager in RJA's wrap fee programs	Wholly owned subsidiary of CTA
	Scout Investments Inc.	Acts as a subadviser to the Carillon Family of Mutual Funds; Has other third-party investment advisory arrangements	Wholly owned subsidiary of CTA
	ClariVest Asset Management LLC	Subadviser to various investment companies, including Carillon Family of Mutual Funds; Has other third-party investment advisory arrangements	Wholly owned subsidiary of Eagle
	Cougar Global Investments LLC	Acts as a subadviser to Carillon Family of Mutual Funds; Acts as a Model Manager in RJA's wrap fee programs	Wholly owned subsidiary of Raymond James International Canada
	EB Management I, LLC	General partner to the Eagle hedge funds	Majority ownership interest by Eagle
	Raymond James Ltd.	Provide investment advisory services and products to Canadian clients	Wholly owned subsidiary of RJF
<b>Bank</b>	Raymond James Bank, N.A.	Provides banking and financial services to clients	Wholly owned subsidiary of RJF
<b>Trust Company</b>	Raymond James Trust, N.A	Offers personal trust services, including serving as trustee or as an agent or custodian for individual trustees	Wholly owned subsidiary of RJF
	Raymond James Trust (Canada)	Offers personal trust services, including serving as trustee or as an agent for individual trustees	Wholly owned subsidiary of RJL

<b>Insurance Agencies/Insurance Brokers</b>	Raymond James Insurance Group, Inc.	Acts as general agent in connection with the sale of disability, life and long-term care insurance, fixed, indexed and variable annuities	Wholly owned subsidiary of RJF
	Raymond James Financial Planning Ltd.	Provides insurance services and products to Canadian clients.	Wholly owned subsidiary of RJL
<b>Investment Companies</b>		<b><u>Fund Name(s)</u></b>	<b><u>Affiliated Manager</u></b>
<b>(Mutual Funds)</b>			
	Group of proprietary open end mutual funds registered as investment companies with the SEC, known as the Carillon Family of Funds	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
		Carillon Reams Core Plus Bond Fund	Scout
		Carillon Scout Mid Cap Fund	Scout
		Carillon Scout Small Cap Fund	Scout
		Carillon Scout International Fund	Scout
		Carillon Reams Unconstrained Bond Fund	Scout
<b>Other Related Entities</b>	Carillon Fund Distributors Inc.	Principal underwriter/distributor to the Carillon Family of Mutual Funds; has selling agreements with other affiliated/unaffiliated broker-dealers and other financial intermediaries to distribute and provide other services relating to the purchase of fund shares	Wholly owned subsidiary of Eagle
	MK Investment Management, Inc.	General partner to private equity holding, a master feeder arrangement and related entities (funds are closed to new investors).	Wholly owned subsidiary of RJF
	The Producers Choice LLC	Serves as a wholesaler for several insurance companies that issue products such as immediate, fixed, and index annuities and as well as life insurance products distributed within our Firm and also to financial professionals at other broker-dealers or insurance agencies.	Wholly owned subsidiary of RJIP

## Conflicts of Interest Associated with Our Business Arrangements with Our Affiliates

Due to the interrelationship of these entities, conflicts of interest can arise that are not readily apparent to you. In the course of our business operations, RJFSA through our affiliates and RJF, can engage in sponsorship and other arrangements with Funds, alternative investments sponsors, UIT sponsors, annuity sponsors, Managers and other third parties to promote the distribution of investment products. These arrangements are further described in this section and in the [“Advisory Business”](#), [“Compensation”](#), [“Participation or Interest in Client Transactions”](#) and [“Payment for Client Referrals”](#) sections.

We address these conflicts in a variety of ways, including, disclosure of various conflicts in this Brochure. Our IARs are required to recommend advisory Programs, investment products, and services that are appropriate for you based upon your investment objectives, risk tolerance, 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 third-parties and our business.

Our Firm, through our IARs, may suggest or recommend that clients use our securities account, execution and custody or other services, or the services of an affiliate in reference to brokerage, advisory and/or insurance services. When you use or purchase our products or services or our affiliate’s services or products, our Firm and our affiliates receive fees and compensation (the amount of which may vary) in connection with these products and services. Therefore, we have an incentive to recommend Raymond James investment products and services over other non-affiliated products and services available. This has the potential to, but may not necessarily, result in additional assets under management with our Firm. In no case are you under any obligation to purchase any products sold by our affiliates. The compensation received by your IAR may be greater when offering products and services to you through their different relationships with RJFSA and our affiliates.

## Outside Business Activities

The SEC, among other regulatory authorities, has established extensive rules and regulations concerning outside business activities (“OBA”) and private securities transactions (“PST”). An OBA is generally defined as any business activity that is conducted outside the scope of an IAR’s employment with RJFS and/or RFJSA. A PST, or “selling away”, generally involves engaging in a securities transaction outside of the Firm with which the IAR is employed or associated. For example, this may involve: (i) part of a private offering of limited partnership interests, without our participation in the offering; or (ii) transactions in securities owned by an IAR.

If approved by us, your IAR may be permitted to engage in certain OBAs other than the provision of brokerage and advisory services. Examples of OBAs, include but are not limited to the following: attorney, accountant, real estate agent, tax preparer and the receipt of referral fees for referring customers to other service providers. In certain cases, an IAR could receive greater compensation through the outside business than through our Firm. If you would like to engage with an IAR for services separate from the brokerage and advisory services we provide, you may want to ask questions about how the IAR is compensated for providing those services.

We are obligated to supervise the activities of our IARs and ensure that activities engaged in with clients on our behalf are appropriate. We are also obligated to ensure that those activities that fall outside the scope of the IAR’s relationship with our Firm and are not misrepresented as being engaged in on our behalf. We generally discourage any OBA or PST that involves any of our clients (or clients of our affiliates). However, these activities or transactions may be authorized by us provided the client acknowledges that they do not involve, and are not supervised by our Firm.

RJFSA branch office owners in many cases will establish and maintain an outside entity, such as a limited liability corporation, to pay for office and other business related expenses. On a limited basis, there are third parties that maintain an ownership interest in the branch owner’s outside entity. Should an arrangement like this exist, the RJFSA branch office will make separate disclosure to you of such arrangement and any potential conflicts.

Our IARs offering advisory services are required to provide prospective advisory clients with a current Brochure Supplement (Form ADV Part 2B) which includes information regarding the IAR’s education, business experience, disciplinary information, other business activities, additional compensation and supervision. You may also obtain additional information regarding your IAR, such as licenses, employment history, his or her regulatory disciplinary information (if any) and whether he or she has received reportable complaints from investors from the SEC at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). Should you have any concerns regarding any of the information contained in your IAR’s Brochure Supplement, you are encouraged to contact our Advisory Compliance Department at 800-237-8691, extension 75877.

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

We have adopted a Code of Ethics ("the Code") pursuant to SEC Rule 204A-1 under the Advisers Act. The Code of Ethics reflects standards of conduct, which govern our fiduciary obligations and addresses conflicts of interest between our advisory personnel and our advisory clients. The Code requires that our access persons (defined as those who provide investment advice and or have access to certain related information) comply with applicable federal securities laws, report violations of the Code, report their personal transactions and holdings in certain securities periodically and obtain pre-trade clearance when necessary. We monitor the personal securities transactions of our access persons and prohibit them from engaging in deceptive conduct in connection with the purchase or sale of securities for advisory accounts. The Code also requires that all access persons comply with ethical restraints relating to clients and their accounts, including restrictions on gifts.

Additionally, we have established and maintain 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 that are designed to prevent and detect any misuse of non-public information by the Firm, our investment adviser representatives and our employees. These procedures have been distributed to our investment advisor representatives and employees of the Firm. The procedures include provisions for defining "insider" material, we monitoring associated persons and securities accounts and restricting access to affiliates sensitive material restrictions on trading.

You may request a copy of our Code of Ethics by contacting the Advisory Compliance Department at 800-237-8691, extension 75877.

As part of our planning and investment consulting services, an IAR may provide recommendations as to investment products or securities offered through our Firm and/or our affiliates. We provide assistance to our IARs with identifying potential investments and/or investment strategies. IARs may use these and other services when assisting clients with the recommendation and implementation of a financial plan. Recommendations to invest in products and services that result in compensation being paid to the IAR and our Firm, presents a conflict of interest. Refer to the "[IAR Asset-Based Compensation](#)" section for additional information.

## Item 12 – Brokerage Practices

### Best Execution

As investment advisers registered with the SEC, we and the OMM are legally required to take all reasonable steps to obtain the best possible trading result for trading activity occurring in your client account, taking into account a number of factors, including 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 you is commonly referred to as "best execution".

To comply with best execution obligations, our Firm and each OMM are responsible for trading activity in client accounts must evaluate the orders received in the aggregate and periodically assess the execution quality of the various competing markets, trading venues, dealers, and 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.

### Planning and/or Investment Consulting Services

The planning and investment consulting services discussed in this Brochure only include services related to the creation of a financial plan. These services do not include the implementation of the financial plan or the solicitation or execution of specific securities transactions. As a result, we do not recommend or select broker-dealers to effect transactions for client accounts as part of these services. If you wish to implement our financial planning advice, you may do so through any broker-dealer or other financial service provider of your choice. You may elect to implement your financial plan through our Firm by opening a brokerage or advisory account through us. Brokerage practices associated with our advisory programs noted in this brochure are described above or in the case of our wrap fee programs described separately in the RJFSA Wrap Fee Program Brochure. A copy is available, upon request, from your IAR or you may visit our public website: <https://www.raymondjames.com/legal-disclosures>.



## Item 13 - Review of Accounts

### General Reviews by IARs

In certain OMM Programs, your IAR regularly monitors your account to identify situations that may warrant taking a specific action related to a client investment or overall portfolio on your behalf. These reviews include, but are not necessarily limited to, suitability, performance, asset allocation, change in investment objectives and risk tolerance, concentration and prohibited/restricted products. IARs providing regular investment advice or investment supervisory services (with the exception of financial planning/investment consulting 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. IARs, 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 you.

Since investment goals and financial circumstances change over time, you should review your investments at least annually with your IAR. You 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 us. A current version is available upon request from your IAR or you may visit our public website: <https://www.raymondjames.com/legal-disclosures/-/media/rj/dotcom/files/legal-disclosures/rjfs.pdf>.

### Review Triggers

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).

### Reports and Account Statements

You will receive quarterly account statements detailing your OMM account's securities holdings, cash balances, dividend and interest receipts, account purchases and sales, contributions and distributions from the account. Please refer to the OMM Form ADV Part 2A for additional information.

For financial planning and investment consulting services, your IAR performs the services agreed upon in the agreement. We have reasonably designed risk-based reviews of planning and certain investment consulting arrangements available to you. We monitor client-selected services in alignment with the executed Wealth Advisory Services agreement.

## Item 14 – Payment for Client Referrals

### Professional Partners Program and Other Solicitation Arrangements

From time to time, our Firm and our IARs receive referrals or leads of potential clients from unaffiliated third parties in exchange for cash compensation (each a "third-party solicitation arrangement"). Any third-party solicitation arrangement entered into by our Firm and a solicitor is operated pursuant to a written agreement in accordance with Rule 206(4)-3 of the Advisers Act. Our Firm and our IARs may pay cash compensation to the solicitor in the form of a flat fee or as a percentage of asset-based advisory fees received from a referred client. The details of the particular solicitation arrangement and compensation paid to the solicitor by us or our IARs will be disclosed to each referred client through a separate written disclosure. The advisory fees paid by any referred client are neither increased nor reduced as a result of the compensation paid to a solicitor by our Firm or our IARs.

In accordance with the requirements for all of our third-party solicitor arrangements detailed above, we established the Professional Partners Program to encourage third-party professionals and firms "professional partners") to refer clients to us. Under the Professional Partners Program agreement, we pay the professional partner a percentage of the asset-based advisory fee received by each referred client through the program, provided that the professional partner adheres to all requirements of the agreement, including the delivery of a separate written disclosure to the referred client detailing the solicitation arrangement and amount of

compensation paid to the professional partner. The client must acknowledge receipt of the Solicitor Disclosure describing the arrangements and the nature of the relationship between professional partner and the Firm prior to any such payments being made. From time to time, our Firm and our IARs may enter into other types of solicitation arrangements, including solicitation arrangements with our affiliates. These solicitation arrangements will be in accordance with Rule 206(4)-3 of the Advisers Act.

A referral agent or solicitor is subject to conflicts of interest arising from these referral or solicitor arrangements, because the solicitor is being paid to recommend our Firm, as investment adviser to a client, and the solicitor will only receive payment if the client ultimately decides to become our advisory client. We address this conflict of interest by disclosing the terms of the referral relationship and related referral compensation to the referred client in accordance with Rule 206(4)-3. Our participation in these referral arrangements does not diminish our fiduciary obligations to our clients.

Our Firm and our IARs may refer certain potential clients to one of our Canadian affiliates (RJL, RJFP (insurance agency/broker), 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 us and our IAR. The receipt of a referral fee creates a conflict of interest as our Firm and our IAR receive additional compensation if we refer a potential client to a Canadian affiliate and that client becomes an advisory client of our affiliate. Referrals by our IAR do not obligate you to open an account through one of our Canadian affiliates.

## **Investment Banking and Public Finance Referral Arrangements**

IARs 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 IARs who help Public Finance capture significant bond underwriting and/or advisory business. Each referral is judged on its own merits and an IAR may be compensated based on a percentage of certain fees received by the respective department.

## **Networking Arrangements with Financial Institutions**

RJFSA and RJFS, RJFSA's broker-dealer affiliate, enter into networking arrangements with unaffiliated financial institutions, such as banks and credit unions. In these arrangements, the financial institution enters into an agreement with RJFS and RJFSA for joint marketing, 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 us subject to one of these networking arrangements, the financial institution may receive compensation from us of up to 100% of advisory fees based on the amount of compensation agreed to in the applicable networking agreement. This compensation is generally paid on a monthly basis to the financial institution. Our customers are not charged any additional fees by us based on financial institution's compensation from RJFS/RJFSA. The compensation shared with the financial institution is our responsibility, not the customers' responsibility.

In some of these arrangements, our Firm and/or our affiliates services are provided directly on the premises of the financial institution. Our IARs may also provide advisory services directly from the financial institution, or as applicable, its trust company or one of its other affiliates. We are not a bank, and unless otherwise specified for certain RJ Bank services, products purchased through RJFS or held at 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.

In one type of networking arrangement, the IAR is compensated directly through the financial institution, based on a portion of its compensation from RJFS/RJFSA; in these relationships, the financial institution generally receives 75% to 100% of the investment advisory fees subject to the networking arrangement; we keep the balance and charges the financial institution or the IAR for our other administrative fees and costs. The IAR is also generally an employee of the financial institution or one of its affiliates. In other networking arrangements, we compensate the IAR directly. In this type of arrangement, the financial institution generally receives up to 50% of the investment advisory fees subject to the networking arrangement. In those instances, we will provide compensation directly to the IAR in accordance with its compensation agreement with that IAR. Generally, these IARs are not employees of the financial institution or one of its affiliates.

## **Other Referral Arrangements**

The Institutional Account Participation Program ("IAPP") was established to pay referral fees to our IARs that refer institutional clients to our affiliates, CTA and/or Eagle. The referral fee is paid as a percentage of the management fee earned by either CTA or EAM. IARs participating in IAPP may not refer institutional clients to CTA and/or Eagle through certain RJA's wrap fee programs. Our payment of this referral fee will not increase your investment management fee.



We offered a program known as Eagle Direct, in which, IARs referred clients to an affiliated entity, Eagle Asset Management, Inc. ("Eagle"), who provided investment management services. Eagle is the investment advisor in the Eagle Direct program and manages these accounts on a discretionary basis. RJFSA is not a sponsor or investment advisor to this program. In 2004, the Eagle Direct program ceased to be available to prospective clients but Eagle continues to manage certain Eagle Direct accounts under the pre-existing investment management agreement. In the Eagle Direct program, RJFSA and your IAR do not provide advisory services nor do they manage your account.

Clients in the Eagle Direct program instruct the investment adviser, Eagle, to direct the execution of transactions relating to your portfolio through RJA. RJFSA and/or our affiliates and your IAR are compensated for referring program assets to Eagle as a part of a directed brokerage arrangement. RJFSA and/or our affiliates shares a portion of the transaction fee with the IAR designated in the Eagle Direct investment management agreement. Eagle does not use RJA or RJFS for trade execution in those instances involving fixed income transactions where Eagle determines that another broker-dealer will provide more favorable execution for the client's account taking into consideration the additional cost to the client.

## **Item 15 – Custody**

We do not have custody (as defined under the Advisers Act) when we provide financial planning and investment consulting services to you.

As it relates to our other advisory or brokerage services, our affiliate, RJA generally maintains custody of your securities and other assets, unless you and RJA otherwise mutually agree. When acting as custodian, RJA will deliver, not less than quarterly, an account statement to you detailing your 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 your account. The custodial services provided for our other advisory programs are described in the RJFSA Wrap Fee Program Brochure. A copy is available, upon request, from your IAR or you may visit our public website: <https://www.raymondjames.com/legal-disclosures>.

## **Item 16 – Investment Discretion**

We do not delegate or exercise discretion over your assets when we provide planning and/or investment consulting services to you. We offer discretionary portfolio management services which are described separately in the RJFSA Wrap Fee Program Brochure. A copy is available, upon request, from your IAR or you may visit our public website: <https://www.raymondjames.com/legal-disclosures>.

## **Item 17 – Voting Client Securities**

The advisory programs described in this Brochure and our planning and investment consulting services do not include proxy voting services. We offer discretionary portfolio management services which are described in the RJFSA Wrap Fee Program Brochure. A copy is available, upon request, from your IAR or you may visit our public website: <https://www.raymondjames.com/legal-disclosures>.

## **Investments in Issuers Subject to Legal Proceedings**

On occasion, securities held in your portfolio may become the subject of legal proceedings, including bankruptcies and shareholder litigation. You have 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 your account. You are not obligated to join other parties as a requirement to initiating or participating in such a proceeding. Neither our Firm nor the investment managers (where applicable) provide legal advice and will not file any claims on your behalf.

## **Item 18 – Financial Information**

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you, and have not been the subject of a bankruptcy proceeding. We do not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.