



Part 2A of Form ADV

Firm Brochure

**D.A. Davidson & Co.
8 Third Street North
Great Falls, MT 59401
800-332-5915**

www.dadavidson.com

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This Firm brochure provides information about the qualifications and business practices of D.A. Davidson & Co. If you have any questions about the contents of this brochure, please contact us at 406-727-4200 or 800-332-5915.

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 Securities and Exchange Commission does not imply a certain level of skill or training.

Additional information about D.A. Davidson & Co. is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by our firm's CRD number, which is 199.

Item 2 Material Changes

D.A. Davidson & Co. ("D.A. Davidson") last updated this Form ADV Part 2A Firm Brochure (the "Brochure") in December 2020. The following information discusses the material changes made to the Brochure since the prior annual update that may be important to clients. The material changes summarized below were also incorporated within the Brochure. Capitalized terms used but not otherwise defined in this Item 2 have the meanings specified elsewhere in the Brochure.

Clients are encouraged to carefully read the Brochure in its entirety and contact their Financial Advisor with any questions.

Two Oaks Investment Management. The brochure was revised to remove references to Two Oaks Investment Management ("Two Oaks"), an unaffiliated investment adviser owned and operated by Blake Todd and Jarrett Perez, who are registered representatives and investment adviser representatives of D.A. Davidson. Two Oaks was formerly an adviser to the Two Oaks Diversified Growth and Income fund (the "Two Oaks Fund"). On May 13, 2021, following the acquisition of the Two Oaks Fund, Two Oaks withdrew its SEC and state investment adviser registrations thereby eliminating all associated conflicts of interest. Consequently, all disclosures concerning the conflicts and mitigating controls related to Mr. Todd's and Mr. Perez's affiliation with Two Oaks have been removed from this brochure.

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Item 4 Advisory Business

D.A. Davidson & Co. ("D.A. Davidson", "the Firm", or "we"), a wholly-owned subsidiary of D.A. Davidson Companies, a financial services holding company, is a dually registered investment adviser and broker-dealer with its principal place of business located in Great Falls, Montana. This Brochure describes the advisory services offered by D.A. Davidson through its Financial Advisors in the areas of ERISA Employer Plan Services, and Financial Planning Services (the "Services"). This includes important information concerning the Services, conflicts of interest, and other information clients should consider prior to becoming a client of one or more of D.A. Davidson's investment advisory Services covered in this Brochure. In addition, the Brochure provides clients with information about The Concordant Fund, a private fund, offered only to select accredited investors.

As a registered investment adviser, D.A. Davidson is a fiduciary to the Firm's investment advisory clients and has an obligation to act in good faith, and in the best interest of the client and to place, the client's interests first and foremost. This would include a duty of care, which requires among other things for advisers to ensure that its investment advice is suitable based on the client's investment profile or mandate. As part of a duty of loyalty to clients advisers must also attempt to eliminate or make full and fair disclosure of all material facts of any conflicts of interest so a client, or prospective client, can make an informed decision in each particular circumstance. The structure of each Program and other internal controls described in this brochure are designed to support D.A. Davidson's ongoing efforts to fulfill its fiduciary duties. This includes actions to either avoid or mitigate material conflicts of interest, which may exist between D.A. Davidson and its clients, and to provide clients with required disclosure of these conflicts of interest. Clients and prospective clients should carefully consider the information set forth in this Brochure in evaluating each of the programs covered. D.A. Davidson's Financial Advisors (each, a "Financial Advisor," and collectively, "Financial Advisors") serve as the primary point of contact for Program clients. Clients are encouraged to carefully read this Brochure in its entirety and contact their Financial Advisor with any questions.

Clients are also encouraged to carefully consider the differences between brokerage and investment advisory services including our obligations, costs, and the need for the services provided. For additional information, please review the Firm's Form Client Relationship Summary ("Form CRS"), which provides information about the differences between Brokerage Accounts and advisory accounts (including Program accounts). Generally, the Firm and its Financial Advisors have an incentive to recommend investment advisory services over brokerage services because the Firm and Financial Advisor receive higher fees for advisory services than brokerage services, and higher fees for some advisory programs than others.

The information contained in this Brochure is current as of the cover date and is subject to change at D.A. Davidson's discretion. Please retain this Brochure for your records. D.A. Davidson also sponsors and/or participates in several wrap fee programs for which it receives a fee for its services that are described in a separate brochure, called a "Wrap Fee Program Brochure". That brochure describes the agreements, fees and potential conflicts of interest for each program. If you would like to request a brochure for another investment advisory service provided by D.A. Davidson, please call 406-727-4200 or 800-332-5915.

DESCRIPTION OF SERVICES

ERISA Employer Plan Services. This section provides a general description of services offered by D.A. Davidson for pension and profit sharing plans subject to the Employee Retirement Income Security Act ("ERISA"). For ERISA covered employer plans ("Plan" or "Plans"), our services are limited to advice and certain limited consulting services and do not include the selection of other service providers, handling of brokerage activities or the selection of brokers to effect transactions. We offer advice that is consistent with the Plan's investment policy and investment selections. If requested, we will work with the Plan fiduciaries to determine the Plan's investment policy is consistent with ERISA requirements and meets the cash flow needs of the Plan. We may assist Plan fiduciaries with vendor searches and in monitoring the suitability of plan investment options but do not have discretion to select, or replace vendors. In addition, we offer plan participant educational services.

In the case of Qualified Plan Investment Advisory Services D.A. Davidson provides either fiduciary or non-fiduciary investment advisory services for the Plan as specified in a written agreement and with client. D.A. Davidson has no responsibility to provide any services regarding employer issued securities, real estate (beyond mutual funds invested in real estate securities and publicly traded real estate investment trust), participant loans, non-publicly traded securities other than collective trusts and similar vehicles, hard to value securities or assets, assets in individual brokerage accounts or any other assets specified in the agreement. All such excluded assets will be disregarded in calculating the fees payable to us.

Self-Directed 401k Plan Sponsor Advisory Services are agreements between D.A. Davidson and the employer of an ERISA plan. The employer agrees that one or more participants in the Plan wish to have D.A. Davidson provide investment advisory services for their accounts in the Plan and that D.A. Davidson will enter into separate agreements with such participants. In providing these services, the employer acknowledges that D.A. Davidson will provide services only to those participants who sign a Participant Agreement. D.A. Davidson is a service provider to the Plan and neither the employer nor the Plan will have any responsibility or liability for Services performed under the Participant Agreements. There is no fee charged to the Plan under this agreement.

Financial Planning Services. D.A. Davidson offers its clients financial planning services through its Financial Advisors and through professionals in its Wealth Planning Group (the “Group”). As reflected by a written agreement between D.A. Davidson and a client, D.A. Davidson offers financial planning services that generally address a wide spectrum of a client’s long-term financial needs through the creation of a financial plan (a “Plan”). If a client wishes to engage D.A. Davidson for financial planning services, the client must define his or her financial goals, needs and objectives and provide adequate relevant information to D.A. Davidson. Typically, this includes the completion of a discovery interview or financial planning questionnaire by the client, as well as the provision of supporting documentation. The content of a Plan will depend on the specific needs and circumstances of the client, as well as the information they provide.

A Plan will generally evaluate a client’s retirement, savings, and cash flow needs, as well as address certain aspects of their insurance needs. Additionally, a Plan may address certain aspects of a client’s estate planning needs, although any estate plan analysis should not be considered tax or legal advice and clients are urged to consult their tax and legal consultants about the tax and legal consequences of any specific estate planning strategy. Finally, a Plan generally includes an analysis of a client’s investment objectives and presents an asset allocation recommendation including equity and fixed income securities, cash, or other investment assets. All Financial Advisors who present financial plans are Series 65 or 66 Industry licensed.

A Plan will set forth recommendations intended to help with the attainment of the client’s goals, needs and objectives as understood by D.A. Davidson. In developing a client’s Plan, D.A. Davidson does not assume or undertake any responsibility for implementing the recommended actions or for monitoring the actions taken by the client. At the client’s request, and pursuant to a separate arrangement, D.A. Davidson will assist the client in implementing the Plan and monitoring the investments made and related actions taken. In preparing a Plan for a client, D.A. Davidson relies on the accuracy and completeness of the information clients provide in the financial planning questionnaire and otherwise, without independent verification. D.A. Davidson is not responsible for any inadequacies or errors contained in the Plan resulting from a client’s failure to provide D.A. Davidson with accurate or complete information.

Before commencement of the financial planning process, the client must sign a Financial Planning Engagement Agreement (the “Agreement”). The Agreement explains that the client is hiring D.A. Davidson, either through their Financial Advisor or the Group, for a finite period of time in connection with the preparation and delivery of a financial plan or financial planning services. The financial planning relationship will commence with the client’s signature on the Agreement. The financial planning relationship will end upon the delivery of the Financial Plan to the client, or 90 days after the start of the financial planning relationship, whichever is earlier.

If the financial planning relationship ends because 90 days elapse and the Plan has not been delivered to the client, a new engagement letter will need to be signed by the client in order for the process to continue.

Once the financial planning engagement ends, the client's relationship with their Financial Advisor and the Firm will automatically revert to a broker-dealer relationship, unless the client decides to implement the Plan through one of our advisory programs and separately contracts (or has already contracted) for that separate advisory service. Otherwise, investment recommendations made by a client's Financial Advisor in the implementation of the Financial Plan will be in his or her capacity as a broker.

Clients are not required to transact business through D.A. Davidson to implement any of the suggestions contained in a comprehensive financial plan. If a client decides to execute transactions through D.A. Davidson as a broker-dealer, the client will pay D.A. Davidson any applicable charges, including commissions and/or fees, a portion of which, if any, will be paid to the Financial Advisor. Fees for comprehensive financial planning services are negotiable. Since the client is not obligated to implement the Plan, neither D.A. Davidson nor the Group performs a subsequent review or periodic or continual monitoring of the client's plan following the delivery of the Plan. However, the client may negotiate arrangements to update a Plan.

The Concordant Fund. The Concordant Fund is a Nebraska Limited Liability Company. D.A. Davidson, as the Fund's Manager, offers membership interests in the Fund to certain qualified investors. The Fund's Portfolio Managers are Bradley L. Knuth, Curtis K. Lane and Clinton T. Rushing and are also Financial Advisors of D.A. Davidson. Capital appreciation from a management style of achieving both short and long-term capital gains but preferably long-term capital gains in primarily equity securities is the Fund's objective.

ASSETS UNDER MANAGEMENT

As of September 30, 2020, D.A. Davidson has approximately \$44,300,000 in regulatory assets under management on a discretionary basis for the Concordant Fund. In addition, as of September 30, 2020, D.A. Davidson has approximately \$20,660,700,000 in regulatory assets under management for its wrap fee programs. Approximately \$17,773,500,000 of which is managed on a discretionary basis and \$2,887,200,000 of which was managed on a non-discretionary basis. Further, information concerning D.A. Davidson's wrap fee programs is included in the Firm's Wrap Fee Program Brochure and is available upon request.

Item 5 Fees and Compensation

ADVISORY FEES

ERISA Employer Plan Services. D.A. Davidson offers a variety of services to an employer. The fees will depend on the type(s) of operational, investment-related and education services selected by the employer (plan sponsor). The fee to each Plan or electing participant is equal to a percentage of the assets held in the Plan's or self-directed participant's account as of the end of each quarter. This fee is negotiable and is prorated for partial quarters. To the extent we provide fiduciary services and receive any indirect compensation by the sponsors of the investments in a Plan or self-directed participant account, we will offset the amount against our fee. Fees are generally remitted by the Plan record-keeper/custodian out of Plan assets, although a Plan sponsor may elect to pay the fee directly. We do not receive any soft dollar compensation in connection with services for pension and profit sharing plans or plan participants.

Financial Planning Services. D.A. Davidson's financial planning services and financial plans may be provided for a fee or at no charge. The fee is negotiable and is determined based on the nature of the services being provided, the complexity of the client's circumstances, as well as the other aspects of the client's current and historical relationship with D.A. Davidson. All fees are agreed upon prior to entering into an Agreement with any client. D.A. Davidson may waive and/or refund part or all of the fees for planning services in its sole discretion. Fees are generally billed and payable as services are rendered.

A D.A. Davidson Financial Advisor who is a CERTIFIED FINANCIAL PLANNER™ certificant will charge fees for the preparation of a Plan and any related consultation. D.A. Davidson management and the Group have the discretion to allow Financial Advisors who are not CERTIFIED FINANCIAL PLANNER™ certificants to charge fees based on the tenure and other education or training of the Financial Advisor. A D.A. Davidson Financial Advisor who does not have these credentials may share in fees related to Plans prepared by the Group or by other D.A. Davidson Financial Advisors that have the necessary credentials. This may be in the form of a referral fee or revenue sharing, depending on the nature of the Financial Advisor's level and type of participation in the planning process.

Currently, the fees for preparing a Plan and providing related financial planning services generally range from \$500 to \$10,000, but may be higher depending upon the services requested. In some cases, Financial Advisors may charge an hourly rate for financial planning services. The fees charged to a client for preparation of a Plan and related services are paid to D.A. Davidson, and a portion of the fees may be paid to the D.A. Davidson Financial Advisor and/or the Group as part of their non-recurring compensation. This compensation would either be in the form of a referral fee or otherwise, depending upon the nature of the relationship with the client. Since D.A. Davidson began providing these services, it has had other fee ranges and schedules in effect, that were lower or higher than those described above. As new fees are put into effect, they are generally made applicable only to new clients, and fee schedules to existing clients are generally not affected. Therefore, some clients pay different fees than those shown above. If a D.A. Davidson Financial Advisor discusses matters relating to a Plan with a client's tax or legal consultant per the client's request, the client may be charged a separate fee by those consultants. There is no minimum dollar value of assets or other conditions required of a client to receive these services.

The Concordant Fund. Fees for The Concordant Fund are calculated on a percentage of assets under management and, under certain circumstances, the manager is paid a performance-based fee. The Concordant Fund does not participate in revenue sharing. Please refer to Item 6 for more information. See Item 6 - Performance-Based Fees and Side-By-Side Management for further information.

OTHER FEES AND EXPENSES

All fees paid to D.A. Davidson for the Services described above are separate and distinct from the fees and expenses charged in relation to assets invested in bank deposit accounts, money market funds, mutual funds, ETFs, private funds, and private investment partnerships and other pooled investments. These fees and expenses are described in each fund's (or other vehicle's) prospectus or offering document and will be borne directly or indirectly by their shareholders. These fees will also generally include a management fee, other fund expenses, and potentially a 12b-1 Fee or other marketing and distribution charges. By investing in these types of securities, a client is essentially paying multiple layers of fees and expenses on the assets invested. However, as a matter of D.A. Davidson's policy, any new purchases of mutual funds in an advisory account must be in an investment advisory-eligible share class that does not impose a 12b-1 Fee, where such a share class is available. In the event that D.A. Davidson receives a 12b-1 Fee in relation to an existing mutual fund position in an advisory account, the Firm will pass on and rebate the fee to the client.

Other fees a client would incur, depending on products and services selected by the client would include, but are not limited to, investment management fees for the management of client assets, expenses imposed by broker-dealers for any trade-related charges to effect transactions, and other custodial account fees. Please see Item 12 – Brokerage Practices for further information on transaction costs, soft dollar benefits, directed brokerage, best execution and block transactions.

Clients are also encouraged to carefully consider the difference between brokerage and investment advisory services including our obligations, costs, and needs of the services provided. For additional information please review the Firm's Form Client Relationship Summary ("Form CRS"), which provides additional information about the differences between brokerage and advisory accounts. Generally, the Firm and its Financial Advisors

have an incentive to recommend advisory services over brokerage services because the Firm and Financial Advisor typically make more compensation for advisory services.

OTHER COMPENSATION RECEIVED BY D.A. DAVIDSON

In addition to the Services described above, D.A. Davidson sponsors or participates in several wrap fee programs to provide investment management services to clients for an asset-based fee, described in a separate Wrap Fee Program Brochure. The types of securities offered in such program include but are not limited to mutual funds, which as noted above carry various fees and expenses depending on the mutual fund share class. The following provides information in regard to compensation received by D.A. Davidson from mutual fund companies, including those offering money market mutual funds, the conflicts this presents and how those conflicts are mitigated.

Mutual Fund 12b-1 Fees. As noted above in the Additional Fee Information section of this Brochure, certain mutual fund share classes pay D.A. Davidson a 12b-1 Fee, which is an annual marketing and distribution fee. The payment of this fee creates a conflict of interest for the Firm, because it could cause Financial Advisors to recommend that accounts participating in a wrap fee program purchase and hold share classes of mutual funds that pay the 12b-1 Fees rather than share classes of mutual funds that do not pay 12b-1 Fees. Client should be aware that 12b-1 Fees also negatively affect the investment performance of the relevant mutual fund share class, due to the effects of these compounded expenses to the fund over time. However, D.A. Davidson addresses the consequences of this conflict of interest through disclosure of it in the Brochure, and also requires that any new purchases of mutual funds in wrap fee program accounts be in a share class that does not pay a 12b-1 Fee whenever such a share class is available to the client. D.A. Davidson will also pass on and rebate to the client participating in a wrap fee program any 12b-1 Fee received by the Firm in connection with mutual fund shares held in that client's account. Additionally, D.A. Davidson uses commercially reasonable efforts to convert any existing wrap fee program account mutual fund holdings in a 12b-1 Fee-paying share class to shares of a class that does not pay a 12b-1 Fee, when consistent with the client's investment objectives, asset allocation, and other circumstances.

PURCHASING LIKE SERVICES

Clients should note that similar advisory services may be available from other registered (or unregistered) investment advisers for similar or lower fees. In connection with the Services described above, D.A. Davidson and its Financial Advisors only offer asset allocation and similar investment recommendations of a general nature, and do not recommend any particular investment product. A client has the option to purchase additional investment products or services through D.A. Davidson, or brokers or agents that are not affiliated with D.A. Davidson.

A client could also invest in a mutual fund directly, or through an unaffiliated broker-dealer without D.A. Davidson's services. In that case, the client would not receive the ongoing investment advisory services offered by D.A. Davidson through its wrap fee programs, which are intended, among other things, to assist the client in determining which mutual funds or other securities are most appropriate in considering the client's financial condition and objectives. Moreover, the mutual fund purchased directly by the client may also impose an initial or deferred sales charge. Considering such information, each client should carefully review and evaluate its investment objectives and risk tolerance, the investment advisory and brokerage services provided by D.A. Davidson and other firms, and the costs and expenses charged by such firms, before determining whether to participate in a wrap fee program.

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

Performance-based fee arrangements involve the payment of fees based upon the capital gains or capital appreciation of a client's account. The Concordant Fund pays the Manager (D.A. Davidson) a base quarterly investment advisory fee for managing The Concordant Fund's assets equal to 0.175 % of The Concordant

Fund's total assets on the last day of each quarter. In addition, to the extent that The Concordant Fund's performance (net of fees and expenses) meets or exceeds the performance of the S&P 500 on an annual basis (or, if applicable, for the period of January 1 to the "withdrawal date" that a member withdraws from the Fund), the Manager will be paid an additional fee equal to 0.30% of the value of The Concordant Fund's assets (or, if applicable, the withdrawal amount) determined as of the close of business on December 31 (or, if applicable, the withdrawal date). Finally, to the extent that The Concordant Fund's annual performance (net of fees and expenses), exceeds the annual performance of the S&P 500 for that year, the Manager will receive a fee equal to 20% of The Concordant Fund's performance above the performance of the S&P 500, (or, if applicable, 20% of The Concordant Fund's performance for the period January 1 until the withdrawal date for that year, deducted in such case from the withdrawing member's account). The intent of the foregoing is to provide a basis on which to pay the Manager the performance fee for those members of The Concordant Fund that withdraw at times other than December 31 of each year.

Fees and other expenses applicable to The Concordant Fund are described in detail in the Private Placement Memorandum, which is only available to certain qualified investors.

Item 7 Types of Clients

D.A. Davidson offers Financial Planning Services to many types of current or prospective clients, including, but not limited to: individuals; trusts; estates; or charitable organizations. There is no minimum account size or minimum fee requirements for financial planning services.

D.A. Davidson offers ERISA Employer Plan and Consulting Services to ERISA covered entities including private-sector corporations, partnerships, proprietorships and non-profit corporation. Advisory services are also offered to individual participants as clients. There are no account size requirements.

The Concordant Fund offers membership interest solely to qualified investors with a minimum initial capital investment of \$250,000 (subject to the Portfolio Manager's right to waive the minimum investment).

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

In regard to its wrap fee programs, D.A. Davidson Financial Advisors and advisory research team use various forms of third party research information and related tools to provide products and services as fully described in the Wrap Fee Program Brochure. These sources of information and tools include, among others, external market, economic, financial and investment data and analyses provided by organizations not affiliated with D.A. Davidson. D.A. Davidson Financial Advisors and the advisory research team use research reports created by other departments of D.A. Davidson and may consider the asset allocations recommended by D.A. Davidson in connection with its discretionary wrap fee program. They may also employ the use of computers and third party financial planning application software to more readily display information and to assist with analysis and making recommendations. Although D.A. Davidson Financial Advisors and the Group use information and tools that D.A. Davidson deems reliable, D.A. Davidson does not independently verify or guarantee the accuracy of the information or tools used.

Risk is inherent in any investment in securities and D.A. Davidson does not guarantee any level of return on a client's investments. There is no assurance that a client's investment objectives or other goals will be achieved. Numerous assumptions are made during the financial planning process, which may turn out to be incorrect. As a result, a client's returns may be less than anticipated.

RISK OF LOSS

Clients should understand investing in any securities, including mutual funds, involves a risk of loss of both income and principal. Securities analysis methods, including those utilized by D.A. Davidson, assume the companies whose securities trade in the markets, the rating agencies that review these securities, and other

publicly-available sources of information about these securities, are providing accurate and unbiased data. While we attempt to remain alert to indications that data may be incorrect, there is always a risk that D.A. Davidson's analysis is compromised by inaccurate or misleading information.

The following is a non-exhaustive summary of specific risks associated with each type of investment analysis implemented by D.A. Davidson through its wrap fee programs.

Fundamental Analysis. Fundamental analysis attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the issuer itself) to determine if the company is underpriced (indicating it may be a good time to buy the security) or overpriced (indicating it may be time to sell the security). Fundamental analysis does not attempt to anticipate market movements. This analysis presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in assessing the intrinsic value of the security.

Technical Analysis. Technical analysis involves the use of statistical data, and trends in that data, to identify trading opportunities. Technical analysis does not consider the underlying financial condition of a company, or the intrinsic value of its securities. This type of analysis presents a risk in that a poorly managed or financially unsound company may under perform regardless of larger movements in the market.

Cyclical Analysis. This form of technical analysis involves studying cycles in the economy and financial markets. In this type of technical analysis, the movements of a particular stock are measured relative to the overall market in an attempt to predict the price movement of the security. The risk most commonly associated with this analysis is that the overall measurement is incorrect.

Quantitative Analysis. Quantitative analysis uses complex mathematical models and statistics to analyze past events to make investment decisions about security performance (or larger market movements) in the future. Common risks encountered in using quantitative analysis are that the models used are based on assumptions that prove to be incorrect, and that the underlying sets of historical data utilized by the manager are incomplete.

Qualitative Analysis. Qualitative analysis involves the analysis of unquantifiable information, such as management decisions, to evaluate investment opportunities in the company's securities. A risk in using qualitative analysis is that our subjective analysis of the information is proven incorrect.

Asset Allocation. A risk of an incorrect asset allocation decision is that the client does not participate in a sharp increase in a particular security, industry, or market sector. Another risk is that the ratio of equities, fixed income, and cash holdings will change over time due to security-value and market movements and, if not corrected (i.e., through re-balancing), will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. A common risk of mutual fund and/or ETF analysis is that, as with other securities investments, past performance does not guarantee future results. A manager who has been successful in identifying profitable opportunities among mutual funds may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a mutual fund or ETF, managers of different funds held by the client may purchase the same security, creating concentrated exposure for the client to that security and increasing the risk to the client if that security were to fall in value. There is also a risk of a manager deviating from the stated investment mandate or strategy of the mutual fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

The following is a non-exhaustive summary of general risk factors involved in investing through any of D.A. Davidson's wrap fee programs.

Interest Rate Risk. Fluctuations in interest rates cause the prices of securities to fluctuate. For example, bond market values have an inverse relationship to changes in interest rates. Generally, the longer a bond's maturity, the greater the interest rate risk and the higher its yield. Similarly, equities may also suffer from

rising interest rates. .

Market Risk. Market risk is the risk of investment losses due in a client's account due to political, social, and other factors that affect the overall economy and markets in which the client is invested, independent of the intrinsic valuation of one or more securities in the client's account.

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. Inflation risk is therefore the risk of inflation exceeding the return of an investment in the client's account.

Currency Risk. Among other risks, investments in non-U.S. securities are subject to fluctuations in the value of the dollar relative to the currency of the country in which the issuer is based. This is also referred to as exchange rate risk. Currency risk could lead to a loss for a client, for example, when the proceeds from the sale of the non-U.S. security, which may be in a devaluing foreign currency, are converted to a relatively stronger U.S. dollar.

Reinvestment Risk. This is the risk that future proceeds from investments have to be reinvested at a potentially lower rate of return (e.g., due to reductions in interest rates). This risk primarily relates to client account investments in fixed income securities.

Business Risk. These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on cost-effectively finding oil, extracting it, and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of potential profitability than an electric company, which generates its income from a steady stream of customers who buy electricity regardless of the prevailing macroeconomic environment.

Liquidity Risk. Liquidity is the ability to readily convert a security into cash. Generally, securities in a client's account are more liquid if many individuals are interested in buying or selling them. For example, Treasury Bills are highly liquid, while real estate properties are relatively illiquid. Liquidity risk is therefore the risk that a client will not be able to promptly sell a security due to a limited market for that instrument.

Financial Risk. Excessive borrowing to finance a business' operations may create a degree of stress on the firm to the point of jeopardizing its profitability, and potentially triggering a default on one or more outstanding loans. Depending on the circumstances, such a development could lead to a declining value in the company's securities, or even its bankruptcy.

Insurance Carrier Risk (specific to eligible programs for advisory annuity and insurance products). This is the risk associated with an insurance carrier's financial strength in meeting current, ongoing and senior financial obligations, which are obligations to policy/contract holders. An insurance carrier's balance sheet strength, operating performance and financial profile are major factors that quantify an insurance carrier's financial strength.

Item 9 Disciplinary Information

The following is a summary of certain adverse disciplinary events relating to D.A. Davidson, its management, and Affiliates that the Firm believes may be material to a prospective client's decision of whether to retain the Firm to provide investment advisory services. Certain of the disclosures below relate to disciplinary events that occurred with predecessor firms, which were acquired by D.A. Davidson Companies, the Parent of D.A. Davidson.

Further information regarding these settlements [and other disciplinary matters relating to D.A. Davidson and its Affiliates] is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site using D.A. Davidson's CRD number, which is 199.

Disciplinary Information Relating to D.A. Davidson's Advisory Business

The SEC issued an Order dated March 11, 2019 (SEC Administrative Proceeding File No. 3-19094) (the "SCSD Order"), relating to the resolution of a matter under the Division of Enforcement's Share Class Selection Disclosure Initiative (the "SCSD Initiative"). The violations referred to in the SCSD Order were self-reported by D.A. Davidson. Pursuant to the SCSD Order, the SEC deemed it appropriate and in the public interest that public administrative and cease-and-desist proceedings be instituted against D.A. Davidson alleging that the Firm willfully violated Sections 206(2) and 207 of the Advisers Act in connection with its mutual fund share class selection practices and the fees it received pursuant to Rule 12b-1 under the Company Act. In connection with the SCSD Order, D.A. Davidson consented to: (a) cease and desist from committing or causing any violations and any future violation of sections 206(2) and 207 of the Advisers Act; (b) be censured; (c) pay disgorgement and prejudgment interest in the amount of \$654,276.41; and (d) comply with certain undertakings. As noted in the SCSD Order, in determining the settlement offer the SEC considered that D.A. Davidson self-reported its conduct to the SEC pursuant to the SCSD Initiative.

Disciplinary Information Relating to D.A. Davidson's Broker-Dealer Business

In October 2018, D.A. Davidson, without admitting or denying the allegations, consented to findings and sanctions by FINRA that it failed to apply available mutual fund share class sales charge waivers to eligible retirement and charitable organization Brokerage Accounts, and to implement proper supervisory system and training procedures (NASD Rule 3010 and FINRA Rule 3110 violations). The matter was previously self-reported to FINRA by D.A. Davidson in May 2016. As part of the settlement, D.A. Davidson paid \$447,000 in restitution, including interest, to approximately 303 customer accounts. D.A. Davidson was not fined as a result of its self-reporting of the matter and its cooperation with FINRA. D.A. Davidson also updated its training, policies and procedures, and other controls intended to ensure that an appropriate mutual fund share class is selected for clients, and that mutual fund sales charge waivers are applied in commission-based account transactions. This matter did not involve any wrap fee advisory clients of D.A. Davidson.

In February 2016 a regulatory action disclosure relating to the SEC's Order dated February 2, 2016 (SEC Admin Releases 33-10019; 34-77021) (the "MCDC Order") was issued. The SEC MCDC Order was issued under the Division of Enforcement's Municipalities Continuing Disclosure Cooperation Initiative, and the violations referred to therein were self-reported by D.A. Davidson. This included allegations of anti-fraud provision, due diligence, and continuing disclosure failures for the underwriting of certain municipal securities offerings, and the offering of municipal securities on the basis of materially misleading disclosure documents (SEC Rules 15c2-12 violations). During the relevant period the SEC found the official statements for six securities offerings, between the period of 2012 – 2014, failed to disclose that the municipal issuers had either failed to file annual audited financial statements, or to file notices of late filings. Pursuant to the MCDC Order, the SEC deemed it appropriate and in the public interest that public administrative and cease-and-desist proceedings be instituted against D.A. Davidson, arising for willfully violating Section 17(a)(2) of the Securities Act (an antifraud provision of the federal securities laws) related to the underwriting of certain municipal securities offerings. In connection with the MCDC order, D.A. Davidson paid a \$500,000 fine to the SEC. In addition, D.A. Davidson engaged an independent consultant to review and update the Firm's policies, procedures, and other controls to help ensure compliance with the Firm's regulatory requirements.

In November 2015, D.A. Davidson, without admitting or denying the allegations, consented to the findings by FINRA that it violated best execution and standards of commercial honor and principles of trade requirements under FINRA Rules 5310 and 2010, respectively. More specifically, during the review period of October 2013 through December 2013, FINRA found that in seven customer transactions D.A. Davidson failed to use reasonable diligence to ascertain the best inter-dealer market, and failed to buy or sell in such market so that the resultant price to its customer was as favorable as possible under the prevailing market conditions. D.A. Davidson was censured and fined \$22,500 and ordered to pay restitution to the clients impacted by the event. Although D.A. Davidson believed this was an isolated issue, additional controls were implemented to help prevent further violations, including technological controls to identify pricing variances on executed trades and

processes to address such matters.

In May 2015, D.A. Davidson, without admitting or denying the allegations, consented to the findings of the Nasdaq Stock Market, LLC. ("NASDAQ") that it violated SEC Rule 101 of Regulation M by purchasing shares on a principal basis (i.e. a proprietary account) in 84 transactions, in its capacity as market maker while being a public offering distribution participant. In general, Regulation M is designed to prevent or mitigate market manipulation, and restricts the activities of distribution participants that could artificially influence a market for an offering. In addition, NASDAQ alleged D.A. Davidson's supervisory system was not reasonably designed to achieve compliance with the aforementioned securities laws, in violation of NASDAQ Rules 3010 and 2110. D.A. Davidson was censured and fined \$17,500. Internal controls were also updated to help prevent any repeated violation, including enhancement to an internal watch list for securities in which D.A. Davidson is participating in the public offering.

In July 2012, D.A. Davidson, without admitting or denying the allegations, consented to the findings of FINRA that it violated fair pricing and best execution requirements set forth under NASD Rules 2440, IM-2440-1, IM-2440-2 and 2110 and FINRA Rule 2010 (for conduct on or after December 15, 2008). More specifically, during the period of October through December 2008, FINRA found 14 customer transactions where D.A. Davidson failed to ascertain a fair price, taking into consideration all relevant circumstances at the time of the transactions, including current market conditions. During the period of July through September 2009, FINRA found the firm failed to use reasonable diligence to ascertain the best inter-dealer market in 12 customer transactions and failed to buy or sell in such market so that the resultant price to its customer was as favorable as possible under prevailing market conditions. D.A. Davidson was censured and fined \$30,000.

In February 2012, D.A. Davidson, without admitting or denying the allegations, consented to the findings of the NASDAQ Stock Market that the Firm violated the SEC Limit Order Display Rule (Rule 604) in that it failed to display immediately 35 customer limit orders in NASDAQ securities in its public quotation, when such order was at a price that would have improved the Firm's bid or offer. The purpose of the Limit Order Display Rule is to help promote competition, provide liquidity and increase transparency in the equity and option markets to investors. D.A. Davidson was censured and fined \$7,500.

Disciplinary Information Relating to Crowell Weedon Broker-Dealer Business

As noted above, prior to its acquisition by D.A. Davidson Companies, Crowell Weedon operated as an independent dually registered investment adviser and broker-dealer. The following is a summary of certain adverse disciplinary events relating to Crowell Weedon and previously disclosed by that firm, which may be material to a prospective client's decision of whether to retain D.A. Davidson to provide investment advisory services.

In August 2014, D.A. Davidson, without admitting or denying the allegations, consented to the findings that Crowell Weedon violated FINRA rules relating to the supervision of registration filings for its registered representatives (FINRA Form U4, Form U5 or NYSE 351(d) filings). More specifically, on 80 occasions from December 2007 through July 2012, Crowell Weedon filed late, inaccurate, or failed to file registration form amendments. The amendments generally related to reporting customer complaints, income tax judgments/liens, and outside business activities for Crowell Weedon's registered representatives. FINRA found the forgoing conduct to constitute separate and distinct violations of NASD Rule 3010(a) and 3010(b) and NASD Rule 2110 for conduct occurring before December 15, 2008, and FINRA Rule 2010 thereafter. As Crowell Weedon had since merged with D.A. Davidson, and as part of the agreement, the Firm consented to a censure and fine of \$120,000.

In July 2012, Crowell Weedon, without admitting or denying the allegations, consented to a censure and \$40,000 fine arising from FINRA's allegations that Crowell Weedon failed to require three individuals, in acting supervisory capacities with respect to the firm securities business, to obtain the required Series 24 license, also known as a "General Securities Principal" license. As a condition of the settlement, Crowell Weedon fulfilled its obligation to: (a) ensure that all of the firm's employees were properly registered; (b) ensure that the

individuals did not act in a supervisory capacity until they obtained a Series 24 license; and (c) revise the firm's written supervisory procedures, among other things, to clearly designate the individuals responsible for supervision.

Disciplinary Information Relating to SMITH HAYES Broker-Dealer Business

Prior to its acquisition by Davidson Companies SMITH HAYES also participated the SEC MSCDC Initiative. An MCDC Order was issued by the SEC's Division of Enforcement in June 2015 for violations referred to therein that were self-reported by SMITH HAYES. This included allegations of anti-fraud provision, due diligence, and continuing disclosure failures for the underwriting of certain municipal securities offerings, and the offering of municipal securities on the basis of materially misleading disclosure documents (SEC Rule 15c2-12 violations). SEC found the official statements in 2011 and 2013 securities offerings failed to disclose that the municipal issuer had not filed any annual financial reports that it had previously undertaken to make since 2009, and failed to file required notices of late filings. Pursuant to the MCDC Order, the SEC deemed it appropriate and in the public interest that public administrative and cease-and-desist proceedings be instituted against SMITH HAYES arising for willfully violating Section 17(a)(2) of the Securities Act (an antifraud provision of the federal securities laws) in regard to the underwriting of certain municipal securities offerings. In connection with the MCDC SMITH HAYES paid a \$40,000 fine to the SEC, and discontinued underwriting of certain municipal securities in early 2016.

Item 10 Other Financial Industry Activities and Affiliations

D.A. Davidson, a dually registered investment adviser and broker-dealer, is a wholly owned subsidiary of D.A. Davidson Companies, a financial services holding company. D.A. Davidson Companies' other subsidiaries, known as "Related Persons," are Davidson Investment Advisors, Inc. and Davidson Fixed Income Management, Inc., both of which are federally-registered investment advisers, and D.A. Davidson Trust Company ("Davidson Trust"), a federally chartered savings bank.

Broker-Dealer Services. D.A. Davidson employees engaged in providing advisory services (including through one or more wrap fee programs) are registered as investment adviser representatives in each state where such registration is required. Many D.A. Davidson employees engaged in providing such advisory services are also registered representatives of D.A. Davidson in its capacity as a broker-dealer. In such capacities, D.A. Davidson and its Financial Advisors provide brokerage and related services to clients, including in relation to the purchase and sale of individual stocks, bonds, mutual funds, private investment funds, life insurance policies and annuities, and other products. In providing these services, D.A. Davidson and its Financial Advisors receive compensation based upon the sale of such securities and other investment products, including asset-based sales charges and service fees on the sale of mutual funds. The receipt of compensation from the sale of securities and other investment products presents a conflict of interest because D.A. Davidson and its Financial Advisors will have an incentive to recommend the investment products based upon the potential compensation to be received, rather than on whether the client will benefit from the purchase and continued holding of the product. However, this conflict is mitigated through disclosure of the conflict in this Brochure, and by the fact that, when selling investment advisory services, D.A. Davidson and its Financial Advisors are fiduciaries and are required to act solely in the best interest of clients. In addition, D.A. Davidson has implemented policies, procedures, and controls that are intended to ensure that Financial Advisors comply with this fiduciary duty. Further information regarding D.A. Davidson's compensation arrangements, potential and actual conflicts of interest, and how D.A. Davidson addresses such conflicts of interest is also included in the Code of Ethics and Personal Trading section below.

Insurance Products. If a client purchases insurance products, including variable and fixed annuities in a non-advisory account through their Financial Advisor, in his or her capacity as a life insurance agent, will receive separate and customary commission compensation from the insurance sale transaction. The receipt of compensation from the sale of insurance products presents a conflict of interest because D.A. Davidson and its

Financial Advisors will have an incentive to recommend the insurance product based upon the potential compensation to be received, rather than on whether the client will benefit from the purchase and continued holding of the insurance product. This conflict is mitigated through disclosure of the conflict in this Brochure, and through D.A. Davidson's policy that prevents the value of insurance assets from being included in the quarterly computation of the Financial Advisor's compensation from advisory account fees. However, this policy does not apply to the sale of variable insurance products in a wrap fee program where D.A. Davidson and the Financial Advisor receive an asset-based fee related to the ongoing management of the securities underlying the policy, rather than receiving a commission or selling concession from the sale of the variable annuity. Such transactions are permitted in an account participating in a wrap fee program only after the compensation terms of the arrangement (including the asset-based fee and other expenses charged by the insurance carrier) have been disclosed to the client, and the client has consented to the arrangement.

Wrap Fee Program Referrals. Financial Advisors are paid to refer clients who open accounts that participate in one or more of the wrap fee programs. These referral fees are divided among D.A. Davidson, the referring Financial Advisor, Portfolio Manager, and/or Paragon Manager (as applicable), depending on the wrap fee program. From time to time, D.A. Davidson and its Financial Advisors may also refer clients to one or more Affiliates, recommend that clients invest with an Affiliate that is an investment adviser, and recommend other investment products and services offered by D.A. Davidson or one or more Affiliates. Such referrals to or recommendations of Affiliates or investment advisory services and products provided by an Affiliate present a conflict of interest because the Financial Advisor receives a referral fee, and the entire client fee is retained by entities under common control by D.A. Davidson Companies. However, as fiduciaries, D.A. Davidson and its Financial Advisors will select or recommend investment advisory services or related investment products only when they determine that it is in the client's best interest to do so. The criteria used to select or recommend such investment advisory services or products are the same as those used for investment advisory services and products offered by firms not affiliated with D.A. Davidson.

Davidson Investment Advisors ("DIA"). Financial Advisors may refer clients to DIA in its capacity as an investment adviser, or hire DIA as a Sub-Manager in the SAM and UMA Programs. DIA also acts as a Model Provider for the MFP Access Davidson Investment Advisors Tactical Portfolio. In addition, D.A. Davidson also serves as the broker-dealer and custodian for some DIA clients. In instances where D.A. Davidson and its Financial Advisors refer clients to DIA, the total management fee assessed to the client could be higher than the total fee a client would have paid had they engaged DIA directly to provide investment management services due to the referral fee to the Financial Advisor. Where DIA serves as the Sub-Manager in the SAM or UMA Programs, the total management fee assessed to the client could be higher than the total fee a client would have paid had they engaged DIA directly to provide investment management services, when considering the fees to be paid to D.A. Davidson and to the Platform Manager. However, the total wrap fee program fee will be equal to or less than the fee assessed when another Sub-Manager is selected to manage the portfolio. Finally, clients are not assessed any fees in addition to the standard fee schedule for investment assets managed under the MFP Access Davidson Investment Advisors Tactical Portfolio. Further information regarding fees, including the fees charged in the MFP, SAM and UMA Programs, is included in Item 4 above.

Davidson Mutual Funds. DIA is the investment adviser to Davidson Mutual Funds, an investment company registered under the Investment Company Act. U.S. Bancorp Fund Services, LLC acts as Davidson Mutual Funds' administrator and provides fund accounting and transfer agency services. D.A. Davidson offers the funds to its brokerage and certain advisory clients as described below. When acting as a broker-dealer, the compensation D.A. Davidson and its Financial Advisors receive from selling shares of the funds is set forth in the funds' prospectus and is similar to compensation received from sales of mutual funds managed by non-affiliated investment advisers. Such referrals or recommendations of the Davidson Mutual Funds present a conflict of interest because the entire client fee is retained by D.A. Davidson Companies and/or its Affiliates. This conflict of interest is mitigated through disclosure of the conflict in this Brochure, and through policies and procedures designed to help ensure investment recommendations are made in the client's best interest.

D.A. Davidson is permitted to purchase or recommend the purchase of Davidson Mutual Funds in Paragon and Choice Program accounts (other than in IRAs and accounts subject to ERISA). The client will not be charged a fee or load for initial or subsequent purchases of Davidson Mutual Funds shares, and any purchase will be made at Net Asset Value. When Davidson Mutual Funds shares are held in an account participating in a wrap fee program, the client will pay a fee based on the fair market value of the assets in the account, including the fair market value of Davidson Mutual Funds shares held in the account. Any new purchases of mutual funds in an account participating in a wrap fee program must be in Class I shares subject to no 12b-1 Fee. D.A. Davidson provides no financial or other incentive for the Firm or any Financial Advisor to favor Davidson Mutual Funds over another mutual fund managed by an investment adviser not affiliated with D.A. Davidson.

DIA receives fees for advising the Davidson Mutual Funds. Those fees are based on the amount of assets held in the Davidson Mutual Funds, which increases with any new purchases of fund shares. The fees charged by DIA for managing the Davidson Mutual Funds are disclosed in the relevant fund's prospectus. As a mutual fund shareholder, investors indirectly pay a portion of the ongoing expenses of the relevant fund. These expenses include the management fee charged by DIA, and all other ongoing fees and expenses incurred in the administration of the Davidson Mutual Funds.

Further information regarding the Davidson Mutual Funds, including a copy of the Prospectus and Statement of Additional Information for the funds, is available on-line at <http://davidsonmutualfunds.com/>. Prospective investors in the Davidson Mutual Funds should review these documents carefully before making any investment in a fund.

Aquila Funds. Davidson Fixed Income Management, Inc. ("DFIM") (doing business as Kirkpatrick Pettis Capital Management, Inc.) serves as the sub-advisor to two Aquila Funds tax exempt mutual funds – the Tax Free Trust of Oregon and the Tax Exempt Fund of Colorado (the "Aquila Funds"). DFIM receives compensation for providing sub-advisory services and this compensation is based on the amounts of assets held in the funds, which increases with any new purchases of shares. The fee arrangement for DFIM's sub-advisory services is disclosed in the Aquila Funds prospectuses. As an Aquila Funds shareholder, a client would pay indirectly a portion of the ongoing expenses of the Aquila Funds and included in these expenses would be the payment to DFIM for its sub-advisory services. D.A. Davidson, considered together with our affiliate DFIM, will receive more total compensation if a client selects the Aquila Funds over a fund managed by a third party. To help address this conflict, D.A. Davidson Financial Advisors are generally paid the same amount for selling the Aquila Funds as for any other mutual fund(s), holding all other variables (for example, investment amount, share class, etc.) equal.

Davidson Trust. Financial Advisors may also refer clients to Davidson Trust to provide professional trust administration services, including recordkeeping, income distribution, bill paying, and general account administration. D.A. Davidson and its Financial Advisors have an incentive to make these referrals because the total Davidson Trust fee is shared equally between Davidson Trust and D.A. Davidson when the referral takes place. The portion received by D.A. Davidson is credited toward the Financial Advisor's production and affects their compensation. This fee sharing arrangement will not result in any increased charges to the client. Neither D.A. Davidson nor any Financial Advisor will provide trust support services for Davidson Trust as a result of the referral.

In addition, Davidson Trust may elect to hire DIA or a D.A. Davidson-related Paragon Manager as the investment adviser for certain client accounts over which Davidson Trust has investment discretion. Davidson Trust shares a portion of its investment management fee with the selected investment adviser for providing investment advisory services. This fee sharing arrangement creates a conflict of interest for D.A. Davidson, its Financial Advisors, and Davidson Trust because the total account administration and investment management fee is divided among Davidson Trust, the referring Financial Advisor, the investment adviser (i.e., D.A. Davidson or DIA), and D.A. Davidson Companies. However, when D.A. Davidson or DIA serve as the investment adviser

for a Davidson Trust account, the total account fee for administrative and investment advisory services will be equal to or less than the total fees if the services were provided separately.

Davidson Trust may also administer accounts over which it does not have investment discretion. In such instances, the client may independently choose to hire a D.A. Davidson-related Paragon Manager to provide investment advisory services to the account. In these arrangements, the total fee to the client will include separate charges by Davidson Trust for account administration and by D.A. Davidson for investment advisory services.

San Pasqual Fiduciary Trust Company (“San Pasqual Trust”). San Pasqual Fiduciary Trust Company (“San Pasqual Trust”) is a privately held, California state-chartered financial institution and trust company. Certain D.A. Davidson officers, in their personal capacity, own a minority interest in San Pasqual Trust (the “Davidson Owners”). San Pasqual Trust provides trust administration services and but does not manage trust assets. Instead, the company oversees investment managers managing such assets for and on behalf of their clients. San Pasqual Trust also acts as trustee for certain accounts for which D.A. Davidson provides brokerage or investment advisory services. Financial Advisors may refer clients to San Pasqual Trust for trust services, and San Pasqual Trust may allow the Financial Advisor to continue to manage the client’s assets held with D.A. Davidson, but San Pasqual Trust is under no obligation to do so. As a trustee, San Pasqual Trust is also authorized to hire a Financial Advisor to manage a trust’s investment assets. Although D.A. Davidson and San Pasqual Trust do not have any fee sharing or referral arrangements, the Davidson Owners and D.A. Davidson could benefit indirectly from referrals by each organization to the other, through the fees retained by the Firm to whom the client is referred. Otherwise, there are no financial incentives for a Financial Advisor to refer a client to San Pasqual Trust, or for San Pasqual Trust to refer a client to D.A. Davidson or a Financial Advisor. In providing investment management services, D.A. Davidson is a fiduciary and is required to act in the best interest of its clients. San Pasqual Trust is also a fiduciary, and similarly has a duty to act in its clients’ best interest. San Pasqual Trust has controls in place to provide impartial service, including in relation to the selection and ongoing oversight of investment managers. Accounts for which San Pasqual Trust acts as trustee are custodied at Reliance Trust Company, an FIS Company, which is not affiliated with D.A. Davidson or Davidson Companies.

Outside Business Activities. Some D.A. Davidson Financial Advisors have been approved to conduct business activities that compete for their time, outside the scope of their duties with D.A. Davidson. If a client’s Financial Advisor engages in any outside business activities, these activities can create an incentive for the Financial Advisor to spend more time on the outside business activity rather than on his or her relationships with advisory and other retail clients. All employees are required to obtain prior approval from their supervisor prior to engaging in such activities to help ensure the activity does not conflict with the duties with D.A. Davidson. In addition, any investment related activities or activities that provide a substantial source of the supervised person’s income or involve a substantial amount of the Financial Advisor’s time must be disclosed on their Supplemental Brochure (ADV Part 2B).

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

CODE OF ETHICS AND PERSONAL TRADING

D.A. Davidson has adopted a Code of Ethics, which sets forth the standards of business conduct required of its employees, including compliance with applicable federal securities laws. The Code of Ethics applies to all D.A. Davidson employees providing, or supporting the provision of, investment advisory services to clients, and, among other things, communicates the Firm’s fiduciary obligations when dealing with clients, imposes and explains rules related to trading by employees in their personal securities accounts, and prohibits insider trading and other unethical business conduct.

The Code of Ethics is based upon the principle that D.A. Davidson owes fiduciary duties of loyalty and care to D.A. Davidson's advisory clients. These duties require the Firm, and its employees, to: provide investment advice in the client's best interest; seek to obtain best execution of securities transactions in client accounts; and have a reasonable, independent basis for investment recommendations. D.A. Davidson employees must also conduct their affairs, including when purchasing and selling securities in their personal securities accounts, in such a manner as to avoid: (i) placing their own personal interests ahead of client interests; (ii) taking inappropriate advantage of their position with the Firm; and (iii) creating any potential or actual conflicts of interest, or otherwise abusing their position of trust and responsibility. The Code of Ethics also prohibits Financial Advisors from placing personal transactions ahead of client transactions in the same security on the same day as he or she placing a trade in a client's account. An exception to this policy is permitted when the access person's account is managed in the same manner as other client accounts and does not result in a more favorable price to the access person.

Clients may request a copy of the Code of Ethics by calling D.A. Davidson's Compliance Department at 406-727-4200 or 800-332-5915.

D.A. DAVIDSON'S PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

There are various ways that D.A. Davidson can be viewed as participating or having an interest in transactions to which a client is a party. These situations and any conflicts of interest that arise from such activities, including in relation to the manner in which D.A. Davidson or an Affiliate executes securities transactions for a client's account as described below and in more detail in the Firm's Wrap Fee Program Brochure.

Principal Trading. Subject to the requirements of applicable laws and regulations, D.A. Davidson may act as principal by purchasing securities for itself from, or selling securities it owns to, an account participating in a wrap fee program, but only on a case-by-case basis with advance written authorization from the client, and when it is in the best interest of the client to do so.

In addition to the advisory fee paid by a client, D.A. Davidson may realize profits from principal transactions with a client based on the difference between the price D.A. Davidson paid for the security and the price at which D.A. Davidson sold the security to the client, which may include a markup or markdown from the prevailing market price, an underwriting fee, selling concession, or other incentive to execute the transaction. In trading as principal with a client, D.A. Davidson will have a conflict of interest because it will seek to maximize the benefit for its own account, while also seeking to obtain the best outcome for the client's account. The profit potential referred to above creates an incentive for D.A. Davidson to recommend a transaction in which D.A. Davidson acts as principal. Nonetheless, D.A. Davidson has a fiduciary duty to act in the best interest of clients and to seek to obtain best execution for its advisory clients. Furthermore, D.A. Davidson has adopted internal procedures intended to ensure that D.A. Davidson will not act in a principal capacity for any transaction in an advisory client's account (including an account participating in a wrap fee program), unless the terms of the transaction have been disclosed to the client, including the material information regarding D.A. Davidson's or the client's Financial Advisor's financial interest in the transaction, and the client has approved the transaction in writing or the transaction is otherwise allowed by applicable law. Under no circumstances are principal trades and new issues allowed in ERISA or IRA accounts

Agency Cross Transactions. An "agency cross" transaction is a transaction in which D.A. Davidson acts as broker for the parties on both sides of the transaction. For its brokerage services, D.A. Davidson may receive compensation from both sides of the transaction. In acting for both sides of the transaction, the Firm will have a conflict of interest because, while it will generally seek to maximize the benefit from the transaction for both sides, D.A. Davidson will be compensated regardless of whether this objective is achieved. In the case of an advisory account, the client would also be paying an asset management fee based on the value of the assets in their account.

D.A. Davidson generally prohibits agency cross transactions for advisory clients, including for accounts participating in a wrap fee program. In rare instances, an exception may be made when D.A. Davidson determines that each respective transaction is consistent with the client's best interest, and may reduce transaction and market impact costs, such as when accounts are adjusting their respective durations, when one account is in a liquidation mode while another is in an accumulation mode, or for tax management purposes. In such instances, D.A. Davidson, acting as investment manager, may recommend the sale of securities from an advisory client's account while at or about the same time recommending the purchase of the same securities for the account of another advisory client under certain conditions, including but not limited to the condition that D.A. Davidson would not receive any compensation from either side of the transaction and therefore not considered to be "acting as a broker" as defined in SEC Rule 206(3)-2 under the Advisers Act. To further address this conflict where the Firm permits a cross transaction, D.A. Davidson will seek to obtain the best execution of the transaction for each advisory client and will effect agency cross transactions only in accordance with the requirements of Rule 206(3)-2 under the Advisers Act, which also requires the client's informed consent prior to the completion of such transaction. No agency cross transactions may be effected for or on behalf of accounts subject to ERISA, or in IRAs.

Fractional Shares Liquidations. Fractional interests in securities ("Fractional Shares"), representing a portion of a whole share for eligible securities, may arrive in a client's account as a result of several types of events: including, for example, dividend reinvestment programs (i.e. reinvested dividends in lieu of a cash payment), stock splits, or the division of a position in the underlying company (e.g. due to divorce). In certain circumstances, due to limitations with market and transfer infrastructure, that does not support the sale or movement of Fractional Shares in exchange trade securities, a client's account may hold a Fractional Share in an equity or ETF position without any whole shares for the company in question. This may occur as the result of three scenarios described below. In each of the scenarios, D.A. Davidson will place orders to liquidate the fractional share on principal transaction basis in order to monetize fractional shares on behalf of the customer where appropriate (see Principal Trading above for further information). In addition, D.A. Davidson has implemented procedures pursuant to conditions that must be met when liquidating Fractional Shares on behalf of a client on a principal basis. This includes, among other things, procedures to process the Fractional Share liquidation at no additional cost to the client, and to report the transaction in the client's trade confirm or monthly account statement. D.A. Davidson has implemented controls that would prevent the Firm from separately determining the timing of the principal transaction by automatically liquidating the fractional share once it accumulates into a whole share position for the underlying company from other transactions. Further information on the Fractional Share liquidation procedures is also available upon request by contacting your Financial Advisor.

1. Sell All Scenario. In the event an order is placed to sell all the shares of a position with Fractional Shares the Fractional Shares will be sold from the client's account into D.A. Davidson's principal account at the same price and as of the same trade date as the whole shares on the following business day.
2. Orphan Share Scenario. In the event fractional shares arrive in an account after the whole shares are sold or transferred out of the account due to an impending dividend reinvestment payment, the fractional shares will be sold from the client's account into D.A. Davidson's principal account at the share's closing price as of the dividend payment date, on the following business day.
3. Account Transfer Scenario. In the event a position with fractional shares is transferred out of a client's account a Fractional Share position will remain due to the limitations in the transfer infrastructure. In this case, the Fractional Shares will be sold from the client's account into D.A. Davidson's principal account as of the review date's previous business day's closing price.

Item 12 Brokerage Practices

In its capacity as an investment adviser, D.A. Davidson has a fiduciary duty to act in the best interest of clients and seek to obtain best execution for its advisory clients. This goes beyond simply minimizing individual transaction costs and includes an evaluation of the overall quality of trade execution, in aggregate, to maximize the total value achieved for clients. The following provides an overview the order execution process, the factors that D.A. Davidson considers in selecting or recommending broker-dealers for client transactions, and other related matters. Further information on the brokerage practices for D.A. Davidson's wrap fee programs is available in the Firm's Wrap Fee Program Brochure.

Best Execution Reviews. D.A. Davidson evaluates the overall execution quality of client orders in aggregate to periodically assess which competing executing brokers offer the most favorable execution terms. Some of the factors considered by D.A. Davidson in determining where to direct an order are the execution speeds and costs, the opportunity to get a better price than what is currently quoted, execution capabilities, financial responsibility, the range and quality of services, and responsiveness to the adviser. In the case of fixed income securities, evaluations of venues could include among other things, a comparison of executions with publically reported trade data under the prevailing market conditions, and based on the type of issue and transactions, access to quotations, accuracy of trade settlements, reporting, and communications.

Soft Dollar Benefits. Soft-dollar arrangements are the practice of paying brokerage firms for products and services such as research through directed trading and commission revenue. When engaging in soft dollar arrangements, investment advisers have a fiduciary obligation to make a good faith determination that any commissions paid by clients due to the directed trading are reasonable in relation to the value of the products and services received on behalf of the client. In addition, the investment adviser must ensure the soft dollar arrangements meet certain criteria under Section 28(e) of the Securities Exchange Act of 1934 and disclose any soft dollar arrangements to clients. **D.A. Davidson does not have any formal or informal soft dollar arrangements for its wrap fee programs.** However, the Concordant Fund engages in informal soft dollar arrangements with numerous brokerage firms. Examples of services utilized in such relationships are research capabilities, execution assistance, investment conference attendance, and meetings with analysts and/or company management.

Payment for Order Flow. Generally, the term "Payment for Order Flow" refers to payments that brokerage firms receive for routing clients' buy and sell orders to other firms or market centers for execution. D.A. Davidson does not accept cash payments in return for directing client order flow to particular institutions or market centers. However, as a Firm we sometimes accept discounts, rebates, reductions of fees or credits, which are generally based on the overall volume of trading activity that results from sending orders to particular market centers or exchanges.

Order Aggregation. D.A. Davidson may, but is not required to, aggregate orders for the sale or purchase of the same security, placed on the same day for different client accounts managed under the same program. This could include proprietary accounts managed under the same program, such as the Firm's own accounts, accounts of Affiliates, D.A. Davidson employees (e.g. a Financial Advisor's personal account) and/or other persons related to D.A. Davidson. However, D.A. Davidson has controls in place to help ensure client trade allocations are fair and equitable and to prevent a proprietary account from receiving a more favorable allocation than a client's account.

Transactions Executed Away. Trading away or "step out" trading occur when a Portfolio Manager executes securities transactions for and on behalf of a client's account through one or more broker-dealers not affiliated with D.A. Davidson. Portfolio Managers are required to seek to obtain best execution when placing trades for and on behalf of a client's program account. To fulfill their best execution obligations, some Portfolio Managers will, from time to time, direct order flow away from D.A. Davidson. Clients may benefit from "step out" trading, which could result in price improvement, increased liquidity, and speed of execution of the trade.

There are, however, additional transaction costs associated with “step out” trading that are in addition to, and not included in, the asset-based fees charged for the programs, or the fees charged by the Portfolio Manager. The costs associated with “step out” trading are embedded within the execution price of the trade and, therefore, directly affect the value and performance of an investment portfolio. D.A. Davidson does not receive any compensation for trades executed on a “step out” basis, and the fees paid for the management of client assets in a client account do not change as a result of these types of transactions.

Trade Errors. It is D.A. Davidson’s intention to effect transactions in client accounts correctly, promptly, and in the best interests of clients. In the event an error occurs in the Firm’s handling of these transactions, D.A. Davidson seeks to identify and correct the error as promptly as possible without disadvantaging the client. In general, where D.A. Davidson is responsible for effecting the transaction incorrectly, the Firm may reimburse the client for any losses directly resulting from the trade error, credit to the client any profits directly resulting from the error that is corrected after the settlement of the transaction, or retain for D.A. Davidson any profits directly resulting from such trade errors that are corrected prior to the settlement of the transaction.

Item 13 Review of Accounts

ERISA Services. ERISA Employer Plan Sponsor accounts are reviewed on an annual basis. The primary focus of the review is to ensure the services were selected in the client agreement align with those currently being performed by the assigned Advisor. Any discrepancies identified are discussed with the Advisor and/or the Advisor’s supervisor.

Financial Planning Services. Unless the client and the client’s Financial Advisor and/or the Group otherwise agree, the client’s Financial Advisor and the Group generally do not provide ongoing review of the client’s accounts or provide ongoing reporting as part of the financial planning services engagement.

Wrap Fee Program. Accounts of clients participating in a wrap fee program are monitored on an ongoing basis by the client’s Financial Advisor and are subject to review by the relevant Branch Office Manager (or his or her designee) (the “Branch Office Manager”). If a client receives quarterly performance reports, the client’s Financial Advisor generally reviews the performance of the client’s account at least quarterly; otherwise, the client’s Financial Advisor generally reviews the performance of the client’s account at least annually. Additionally, the Branch Office Manager reviews trading activity and account positions in Paragon and Choice accounts relative to the client’s account investment profile and program guideline.

At least annually, Financial Advisors meet with the client (either in person or over the phone) to review and update, as necessary, the client’s Investment Profile. However, the client should immediately notify the Financial Advisor regarding any material change in the client’s personal and/or financial circumstances to determine whether any review of and/or revision to the Investment Profile is warranted. Please refer to the Wrap Fee Program Brochure for further information.

Item 14 Client Referrals and Other Compensation

Referral Arrangements. In some instances, D.A. Davidson provides compensation to individuals and parties who refer clients for financial planning or managed asset services. When applicable, the compensation paid is a percentage of the client’s fee payments or in the case of a wrap fee program the value of the client’s portfolio. The amount of compensation will vary, with the specific level determined based upon consideration of various factors including, but not limited to, the individual’s role in developing the relationship, and the assets under management. D.A. Davidson pays these fees to registered representatives of D.A. Davidson and its related parties.

D.A. Davidson also pays referral fees to independent third parties and firms (each, a “Solicitor,” and collectively, “Solicitors”) for introducing clients to D.A. Davidson. Whenever D.A. Davidson pays a referral fee, the Firm requires that the Solicitor provide the prospective client with a copy of this Brochure and a separate

disclosure statement at the time of solicitation that includes the following information: the Solicitor's name and relationship with D.A. Davidson; the fact that the Solicitor is being paid a referral fee; the amount of the referral fee; and whether the wrap fee program fee paid to D.A. Davidson by the client will be increased above the Firm's previously agreed fees in order to compensate the Solicitor. In practice, the Program fees paid to D.A. Davidson by clients referred by solicitors are not increased as a result of any referral.

Davidson Trust also refers clients to D.A. Davidson. However, Davidson Trust is not compensated for such client referrals. Further information regarding the conflicts of interest associated with referrals and other business terms among D.A. Davidson and its Affiliates, and how D.A. Davidson addresses those conflicts, is included in the Other Financial Industry Activities and Affiliations section above.

Cash Management Program. When D.A. Davidson acts as custodian for assets in an account participating in a wrap fee program, the Firm utilizes a Cash Management Program, commonly referred to as a "sweep" program, to automatically sweep uninvested cash balances into an interest bearing account (or in limited circumstances to a money market mutual fund) at the end of each business day. Sweeps in a client's account may occur due to, among other things, the sale of securities, dividend payments, interest credited from bonds, and cash balances. Unless you affirmatively elect not to participate in Davidson's Cash Management Program, or are otherwise ineligible to participate in the Bank Insured Deposit Program ("BIDP"), D.A. Davidson's default cash sweep investment option for advisory accounts is the BIDP. ERISA and 403(b) accounts managed on a discretionary basis may not participate in the BIDP and therefore are swept to a money market mutual fund.

Cash balances in the BIDP are automatically custodied by one or more banks not related to D.A. Davidson (collectively "Program Banks") and are generally eligible for FDIC insurance up to \$4 million per account, in accordance with the terms and conditions of the BIDP and FDIC regulations (the aggregate coverage amount may go up or down from time to time). Cash deposits in any one bank participating in the BIDP are managed so they do not exceed applicable FDIC insurance limits at any single bank (currently \$250,000 or \$500,000 for joint accounts of two or more). You, however, are responsible for monitoring the total amount of deposits (including CDs) you may hold with a bank outside of the BIDP to ensure applicable FDIC insurance limits are not exceeded.

D.A. Davidson performs management, accounting, recordkeeping, and other services associated with the offering of the BIDP to clients in a wrap fee program. Client accounts in a wrap fee program that are not IRAs participate in the "Traditional" BIDP: Under the Traditional BIDP, D.A. Davidson is compensated for providing those services based on a percentage of the average daily deposit balance in the client's BIDP account(s) at the Program Banks. Under the Traditional BIDP, D.A. Davidson keeps most of the interest revenue we receive from the Program Banks as our fees. As explained below, the amount of interest from Program Banks that is credited to client accounts depends on the account's Interest Rate Tier, which in turn depends on the client's Household Balance. In the Traditional BIDP, the compensation to us significantly exceeds the amount of interest that we credit to client accounts, particularly at the lower Interest Rate Tiers. Upon your request, your D.A. Davidson Financial Advisor will provide you with specific detail about your account's Interest Rate Tier, the amount of interest revenue from the Program Banks that we keep (or that is paid to our third-party service provider for the BIDP), and the amount of interest revenue that is credited to your account. Be sure to ask your D.A. Davidson Financial Advisor for this information if you wish to receive it.

If your account is an IRA and is in the Advisory BIDP, we receive a monthly level fee determined partially on a "per account" basis, and partially based on certain interest rates. For wrap fee program IRA accounts participating in the BIDP, our fees, and those paid to our third-party vendor, reduce the interest rates that are credited to client accounts.

You should also understand that we charge asset-based wrap fee program fees on the entire account balance within a wrap fee program (including any swept cash), and on the cash in the BIDP, the portion of interest revenue we keep from the Program Banks is an additional fee we receive on top of the wrap fee program fees. Likewise, D.A. Davidson receives more fees from the Traditional BIDP and for IRA accounts participating in the

BIDP than from other cash sweep programs, such as the money market mutual funds we offer for cash management purposes.

For these reasons, D.A. Davidson has an incentive to utilize BIDP as the default sweep option, and to encourage clients to use the BIDP, as it increases total revenue to our Firm, and usually increases our Firm's revenue significantly more than other sweep programs. Likewise, D.A. Davidson has an incentive to maintain more cash in wrap fee program accounts, since doing so causes us to receive additional fees on top of the wrap fee program fees. However, Financial Advisors do not receive any portion of this compensation related to our cash sweep program and the cash sweep program option must be selected by the client on a fully disclosed basis. In addition, D.A. Davidson has controls in place to monitor cash positions in wrap fee program accounts for suitability with the investment policy, objective or strategy implemented. For the Traditional BIDP, the fee paid to D.A. Davidson may be up to 100% of the amount the Program Bank is willing to pay with respect to funds in the Accounts. The fee varies from Program Bank to Program Bank.

D.A. Davidson receives a level monthly fee for each IRA participating in a wrap fee program that utilizes the BIDP (the "IRA Advisory Sweep Fee"). The monthly IRA Advisory Sweep Fee is determined based upon a charge of \$1.00 per account plus \$0.08 times the Federal Funds target interest rate expressed in basis points, subject to a maximum of \$15.00 per account. D.A. Davidson's fees in connection with the BIDP will be paid from the total amounts paid by the Program Banks.

Each Program Bank pays interest based on a percentage rate of the daily deposit balances for eligible accounts at that bank. This rate may differ between Program Banks and is generally based on either the Federal Funds effective rate or the London Interbank Offer Rate ("LIBOR"), plus or minus a "spread". Generally, the yield on Traditional BIDP accounts is equal in aggregate to the gross interest paid by the Program Banks minus a third-party service provider fee and minus the D.A. Davidson fee will be established based on a tier of account balance values ("Interest Rate Tier"). You may link your account to other accounts held by yourself or members of your household as described below. The aggregate balance of all "linked" accounts is referred to as your "Household Balance." Your Household Balance determines the level of interest paid based on the Interest Rate Tier. In general, clients with greater Household Balances will receive a higher interest rate than clients with lower Household Balances. D.A. Davidson is not responsible for identifying accounts that are eligible to be linked for purposes of determining your Household Balance. It is your obligation to notify D.A. Davidson of accounts that should be linked. You may contact D.A. Davidson for more information or to give Davidson instructions with respect to linking eligible accounts. Be sure to ask your D.A. Davidson Financial Advisor to do this.

For ERISA, 403(b) advisory accounts and other accounts designated by D.A. Davidson from time-to-time, you will be placed in a money market fund available for the Cash Management Program offered by D.A. Davidson (the "Money Market Fund"). As with BIDP, un-invested cash balances ERISA and 403b plan accounts are automatically swept into your Money Market Fund. The Other Mutual Fund Compensation section below also provides further information on compensation paid to D.A. Davidson by the sponsor(s) and distributor(s) of the money market mutual funds offered by D.A. Davidson.

The applicable terms and conditions of the BIDP are included in the "Cash Management Program" section of the Advisory Agreement. Other important information concerning the Cash Management Program, BIDP and the Money Market Fund are also available on the D.A. Davidson website at <https://dadavidson.com> under the "Savings & Spending Solutions" page, located under the What We Do-tab, Wealth Management, and Products and Services, or upon request. Prospective changes in regulations applicable to money market funds may impact how some money market funds are managed and disclose information, as well as the costs and expenses of those funds. Further information regarding each money market fund is available in the relevant fund's prospectus.

Other short-term, cash-equivalent investments are available to you for purchase through D.A. Davidson. These other investments, however, which can provide for higher rates of return, are not part of the Cash

Management Program, and will not offer an automatic cash sweep feature. Any cash awaiting investment or reinvestment not participating in the Cash Management Program will not earn interest. For more information, please contact your D.A. Davidson Financial Advisor. Clients can terminate their participation in the Cash Management Program at any time by contacting their D.A. Davidson Financial Advisor.

Revenue Sharing Arrangements. In addition to sales charges and similar payments, some issuers and sponsors of investments we recommend share with D.A. Davidson a portion of their revenue. These payments, sometimes called “revenue sharing” payments, are usually based on the total amount of sales we make of their investments or the total amount of client assets invested with them. This creates an incentive for our Firm to include on our platform, and encourage the purchase of, investments whose issuers and sponsors share revenue with us, and share more revenue with us than others. D.A. Davidson does not share these payments with our Financial Advisors, to reduce any financial incentive they might have to recommend revenue-sharing investments over others. **A list of the investment product issuers and sponsors who provide D.A. Davidson with revenue sharing payments is furnished in Exhibit A of D.A. Davidson’s Regulation Best Interest Disclosures document, and available upon request.**

Recordkeeping/Shareholder Servicing Fees. For some investment products, such as mutual funds, college savings plans and variable annuities, D.A. Davidson receives ongoing fees for recordkeeping and other shareholder or administrative services. For example, D.A. Davidson receive fees in connection with mutual fund investments for sub-accounting and sub-transfer agent services in respect of our clients. The Firm receives these fees for tracking fund ownership among our client accounts, distributing prospectuses, processing transactions on an omnibus basis and similar services. These fees create an incentive for D.A. Davidson to make available on our platform, and encourage the purchase of, investments who pay the Firm for such services, and pay the Firm more than others.

As a percentage of client assets held in investment products for which D.A. Davidson receives these types of fees, the total such fees the Firm would receive in most years is approximately 0.05-0.07%. Because D.A. Davidson generally provide these types of services on an omnibus (across-the-board) basis, the fee rates the Firm receive typically do not vary materially within categories of products (for example, from one mutual fund to another mutual fund). D.A. Davidson does not share these recordkeeping or other shareholder service fees with our Financial Advisors.

Education and Marketing Support. Some investment product sponsors contribute to or reimburse D.A. Davidson for the cost of educational events and marketing events for our retail clients and Financial Advisors. Others pay for travel, meals, entertainment and attendance at educational conferences, training events and due diligence trips for our Financial Advisors. These events provide our Financial Advisors with additional opportunities to be educated about services and investments that can be offered to existing and potential clients. Some of these events, which are hosted by D.A. Davidson for our Financial Advisors, are offered in multiple tiers – this means that product sponsors pay different amounts and as a result receive different levels of benefits. For example, these different benefits might include having their speaker at a main session versus a breakout session, a more prominent display in the materials used in connection with the event, etc.

In addition to the above, D.A. Davidson Financial Advisors and other employees sometimes receive compensation from investment product sponsors that is not in connection with any particular client. This compensation includes such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting or entertainment event, or reimbursement in connection with educational meetings, client events, or marketing or advertising initiatives, including services for identifying prospective clients.

These payments described above provide an incentive for D.A. Davidson and our Financial Advisors to recommend investment products whose sponsors provide these additional support payments to us, and those who make higher support payments, than others. D.A. Davidson imposes an internal review and approval process to ensure that these payments are not unreasonably high (or otherwise inappropriate) under the circumstances, and we do not permit these payments to be made directly to our Financial Advisors. A list of

the investment product sponsors who provide our Firm with payments and reimbursements in support of our education and marketing efforts (is furnished in Exhibit A to the Regulation Best Interest Disclosures, and is available upon request.

Production/Compensation Grid. The single most important factor affecting your D.A. Davidson Financial Advisor's cash compensation is the total amount of revenues he or she generates for the Firm, which is sometimes referred to as his or her "production." Specifically, the primary cash compensation we pay to each of our Financial Advisors (which is determined and paid on a monthly basis) is a percentage share of his or her production, which is generally between 25% and 51%. For each of the Firm's Financial Advisors, the exact percentage he or she receives for a given month is determined primarily according to his or her production over the previous six (6) month period, and tenure with our Firm, as set forth in our compensation grid. D.A. Davidson's compensation grid has thresholds or bands that enable your Financial Advisor to increase his or her compensation through an incremental increase in sales.

Commissions and most other transaction-based charges for brokerage services, sales commissions, ongoing payments such as trails and 12b-1 fees, as well as investment advisory fees, generally count toward our Financial Advisors' production. Of course, and as explained previously, the compensation that both the Firm and its Financial Advisors receive is based on these revenues, so we both have a financial incentive to increase those commissions and other payments. However, your Financial Advisor has an additional incentive to maximize his or her ongoing production, because the higher it is over the previous six (6) month period, the greater percentage share he or she will receive for that current month. Stated simply, increasing his or her production generally entitles your Financial Advisor to receive a larger share of a larger dollar figure. Therefore, your Financial Advisor has a strong financial incentive to recommend frequent and larger trades, investment products and accounts that pay us higher revenues, and additional investments, services and accounts that increase his or her production-eligible revenue.

D.A. Davidson has also adopted and enforces policies and procedures intended to help ensure the Firm and its Financial Advisors comply with our fiduciary duties. In addition, under our compensation grid, the percentage of his or her production that your Financial Advisor will receive as cash compensation is determined on a month-by-month basis over a 6-month lookback period, and the grid includes a number of incremental rate steps. These features are intended to help manage the incremental compensation increases that our Financial Advisors can achieve for discrete sales, or for sales over a short period.

In addition, certain revenues we receive, as a Firm do not count toward your Financial Advisors' production, such as margin interest and other fees described under Item 4, Other Fees and Expenses, payments from third-party banks that participate in our cash management program, recordkeeping, sub-accounting and other administrative service fees from mutual funds, and certain revenue sharing payments.

Certain other revenues our Firm receives are credited to our Financial Advisors' production on a reduced basis, such as equity underwriting compensation (60%), fees paid by clients to DTC that result from the Financial Advisor's referrals (50%) and fees paid by clients to DIA that result from the Financial Advisor's referrals (20-70%).

New Recruit Incentives. When some of our Financial Advisors are new recruits to our Firm, we grant them forgivable loans – in other words, loans that can be repaid through bonus payments that these Financial Advisors can earn by remaining employed with our Firm over a period of years (typically nine (9) years). In many cases, for the first year in which a new Financial Advisor is employed with our Firm, we offer him or her a fixed compensation grid, which may be higher than the grid for which he or she otherwise may have qualified. We also offer some new Financial Advisors one of the three following incentives: (i) an increased compensation

grid on future advisory fees and commissions if he or she meets certain production goals; (ii) additional forgivable loans if he or she reaches certain production goals; or (iii) additional forgivable loans if he or she brings certain amounts of assets to our Firm.

These incentives encourage Financial Advisors to recommend that clients move additional assets to our Firm (for example, through IRA rollovers) and, for (i) and (ii) above, to recommend higher levels of trading and the purchase of additional and larger investments. These additional forms of compensation are typically earned over longer periods of time, to help reduce the incentive our new recruits might have to achieve large sales volume over short periods or at any given point-in-time. Performance measuring periods are usually twelve (12) consecutive months. Also, while new recruits are usually eligible for expense allowances (as described above under “Other Bonuses and Awards”), they typically are not eligible for deferred performance awards while they qualify for a fixed compensation grid, and are not eligible for loyalty bonuses because they have not yet earned seven (7) years’ tenure.

Certain Manager/Regional Director Incentives. D.A. Davidson’s managers, directors and supervisors oversee the sales and marketing activities of our Firm. The compensation of certain managers and regional directors – namely, our Branch Office Managers (“BOMs”) and Regional Directors (“RDs”) – is tied in part to the production levels of branches or regions over which they have managerial or supervisory responsibility. The tying of BOMs’ and RDs’ compensation to the production of the branches or regions they supervise incentivizes them to spend more time on increasing production levels than on their supervisory responsibilities. Only BOMs and RDs are compensated in this fashion. Our Firm has other management and supervisory personnel who have responsibility for the supervision and oversight of our branches, regions and Firm generally, and who are not compensated based on production levels.

Item 15 Custody

Generally, D.A. Davidson serves as custodian for advisory client assets managed under its wrap fee programs. However, in some cases D.A. Davidson, in its sole discretion may accept certain client assets when they are custodied at another financial institution acceptable to D.A. Davidson.

Qualified custodians send account statements and other reports directly to clients. We urge clients to compare the information contained in the D.A. Davidson quarterly account statements and other reports to the information contained in custodian statements for the same period.

When preparing a client’s account statements and performance reports, D.A. Davidson relies on third parties, such as third party quotation services and custodians when determining the value of account assets. D.A. Davidson does not conduct an in-depth review of valuation information provided by third party quotation services or custodians, and it does not verify or guarantee the accuracy of such information. The prices obtained by D.A. Davidson from the third party quotation services it uses may differ from prices that could be obtained from other sources. If a client has assets held by a third party custodian, the prices shown on a client’s official account statement provided by the custodian may be different from the prices shown on statements and reports provided by D.A. Davidson due to the use of different valuation sources by the custodian and D.A. Davidson. In the event of a discrepancy between official account statement and other reports or statements for the holdings and transactions shown in statements or reports the client’s official account statement shall prevail.

The Concordant Fund’s assets are held with Goldman Sachs and Company, LLC, a third-party qualified custodian. The Concordant Fund receives a periodic account statement directly from the custodian. That statement is the official record of the account and the assets contained in it. Investors of The Concordant Fund receive a quarterly letter containing the investor’s year to date balance and performance data, as well as the annual Financial Statement of The Concordant Fund, audited by a PCAOB-accredited firm, which contains a

listing of the assets of The Concordant Fund.

Item 16 Investment Discretion

Clients in some cases hire D.A. Davidson to provide discretionary asset management services in conjunction with ERISA Self-directed plan participants and financial planning services, in which case D.A. Davidson places trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client: determine the security to buy or sell and/or amount of the security to buy or sell.

Clients give us discretionary authority when they sign an investment management agreement with D.A. Davidson, and may limit this authority by giving us written instructions. Clients may also change such limitations by providing us with subsequent written instructions.

Item 17 Voting Client Securities

D.A. Davidson votes securities on behalf of the Concordant Fund and for clients in certain wrap fee programs, consistent with applicable laws and regulations and the Firm's policies and procedures relating to the voting of proxies. Further information on the proxy voting policies and procedures for wrap fee programs are described in the separate Wrap Fee Program Brochure, which is available upon request. The policies and procedures described below are intended to ensure that proxies are voted in the client's best interest.

Proxy Advisor Firm and Voting Methodology. D.A. Davidson has engaged a third party Proxy Service Vendor to provide proxy voting administrative duties and proxy voting recommendations from another third-party Proxy Advisory Firm ("Proxy Advisor"). The Proxy Advisor recommendations are pre-populated into the Proxy Service Vendor's electronic voting platform, subject to the preapproval requirements identified below. Proxies that are not escalated for preapproval are automatically executed pursuant to the Proxy Advisor's pre-populated voting recommendations. Proxies are generally voted in accordance with the Proxy Advisor recommendations, but D.A. Davidson reserves the right to exercise its own judgment on a case-by-case basis, to serve its client's best interests once it has determined that such a vote would not involve an identified firm related conflict of interest. In these situations, D.A. Davidson will generally vote in favor of proxy proposals that enhance the independence of board membership, against measures that promote anti-takeover defenses, and for incentive compensation that would align management interests with shareholder interests, including stock-based compensation and restricted stock award programs. Corporate governance issues, however, are diverse and continually evolving and these general policies may not be relevant in some circumstances.

Proxy Voting Committee. D.A. Davidson's Investment Adviser Proxy Voting Committee (the "Proxy Committee") includes senior personnel from D.A. Davidson and one or more of its Related Persons. The Proxy Committee meets periodically to monitor D.A. Davidson's overall adherence to and the effectiveness of the Firm's proxy voting policies and procedures. The Proxy Committee also reviews the internal controls and independence of the third-party vendors on no less than an annual basis. In addition, the Proxy Committee preapproves any contested or controversial proxies, requests to deviate from the Proxy Advisor's voting recommendations, and proxies that are not covered by D.A. Davidson's proxy voting policies and procedures.

Class Action Notices. D.A. Davidson will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in a client's wrap fee program account(s), including in connection with the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct D.A. Davidson to transmit a copy of any class action notices to the client or to a third party. Upon such direction, D.A. Davidson will use commercially reasonable efforts to forward such notices to the person identified by the client in a timely manner.

Conflicts of Interest. Davidson and its supervised persons have various conflicts in relation to voting client proxies, which may include personal investments, outside activities, personal relationships, and management of investment accounts for or on behalf of publically traded companies. Davidson, as a dually registered brokerage firm, also provides underwriting services for public companies, makes a market in select securities and uses the services of select public companies for core systems. D.A. Davidson believes, however, that its retention of the Proxy Service Vendor, use of the Proxy Advisor recommendations, its adherence to its proxy voting policies and procedures and oversight by the Proxy Voting Committee help to ensure proxies are voted in the best interest of D.A. Davidson clients.

Further information on how your proxies were voted and a copy of D.A. Davidson's proxy voting policies and procedures may be requested, free of charge, by contacting your Financial Advisor or writing to: D.A. Davidson & Co. Attention: Compliance Department, 8 Third Street North, Great Falls, MT 59401.

Item 18 Financial Information

D.A. Davidson is required to disclose any financial condition that is reasonably likely to impair the Firm's ability to meet its contractual obligations. D.A. Davidson has no such financial circumstance to report.

Under no circumstances does D.A. Davidson require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.