

**Item 1 Cover Page**

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**<https://www.pershing.com/what-we-provide/managed-account-solutions/investment-advisory-services-and-research>**

**Firm Brochure**

**Form ADV Part 2A**

**(as of March 30, 2023)**

**This Firm Brochure (the “Brochure”) provides information about the qualifications and business practices of Lockwood Advisors, Inc. (“Lockwood”). If you have any questions about the contents of this Brochure, please contact Lockwood at (800) 200-3033, Option 3. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about Lockwood Advisors, Inc. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Lockwood is a registered investment adviser with the SEC. SEC registration neither implies nor asserts that the SEC nor any state securities authority has approved or endorsed Lockwood or the contents of this disclosure. In addition, SEC registration does not imply a certain level of skill or training.

## **Item 2    Material Changes**

Following is a summary of material changes since the last annual update of this Brochure, dated March 30, 2022:

- Items 5 and 8.D were updated to remove references to the Lockwood Investment Strategies product, which has been retired.
- Item 8.C was updated to include a hyperlink to a list of Model Provider Models that include affiliate advised or sub-advised funds, as well as a list of affiliate advised or sub-advised funds available in one or more Command Sponsor UMA Programs.
- Item 10.D was updated to include the list of firms to which Lockwood paid sponsorship and/or marketing support fees during the prior calendar year.
- Item 10.E was updated to remove reference to Lockwood's registration in Singapore, which has been terminated.
- Item 15 was updated to reflect the date of the most recent independent public accountant's report filed with the SEC.
- Exhibit C was updated to include Lockwood's most recent Privacy Policy.
- Exhibit D was updated to include Lockwood's most recent EMEA Privacy Notice.

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## **Item 4 Advisory Business**

### **A. About Lockwood**

Lockwood is a corporation organized in 1995 under the laws of the state of Delaware and opened for business in the summer of 1996. Lockwood is registered with the SEC as an investment adviser and is a wholly owned subsidiary of Pershing Group LLC, which in turn is a wholly owned subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon”), a publicly-owned company. Lockwood does not have any offices located outside of the United States.

#### **1. Programs Sponsored by Lockwood**

Lockwood, in general, offers its portfolio management services in various wrap fee programs. Lockwood serves as the sole wrap fee program sponsor (“Sponsor”) for its Managed360 Program, which is described in a separate Form ADV, Part 2A, Appendix 1 Wrap Fee Brochure (“Wrap Fee Brochure”). For the accounts in these programs, the custodian is an affiliate of Lockwood, Pershing LLC (“Pershing”), which is a SEC registered broker-dealer and a member of the Financial Industry Regulatory Authority (“FINRA”), the Securities Investor Protection Corporation and the New York Stock Exchange. In addition, Lockwood works with certain third-party investment advisory firm(s) that serve as a co-sponsor with Lockwood in a wrap fee program (the “Co-Sponsored Programs”), as described in a separate Lockwood Wrap Fee Brochure.

In each of these wrap fee programs (the “Lockwood Wrap Programs”), Lockwood provides services to broker-dealers, registered investment advisers, and other financial intermediaries (“Firms” or “Firm” in the singular) which, in turn, provide investment advice and consulting services to their clients (“Clients”). Lockwood also provides services to certain institutional clients, including retirement and savings plans, outside of the Lockwood Wrap Programs. Information about Lockwood’s fees and services, including its portfolio management services that are available in the wrap fee programs is described in each applicable Wrap Fee Brochure.

#### **2. Programs Sponsored by Third-Parties**

Lockwood also offers its portfolio management services on platforms where a third-party broker-dealer or investment adviser, other than Lockwood, serves as the Sponsor of the wrap fee program. Lockwood offers such portfolio management services through Pershing’s Managed Account Command platform (“Command”). In Command, Lockwood and Pershing provide administrative services to the Sponsors and certain Sponsors have selected Lockwood to provide portfolio management services to certain of their Clients. In Command, either Pershing, another affiliate of Lockwood, or an unaffiliated third-party financial services firm serves as the custodian. Client level advice is generally performed by an employee, agent, affiliate or other delegated persons of the Sponsor (collectively, “Consultants”). Each third-party Sponsor’s wrap fee program is described in their Wrap Fee Brochure.

Certain Sponsors offer access to their programs through digital advice platforms (“Digital Portfolios”). Such Digital Portfolios are made available through Pershing or other third party providers. Digital Portfolios generally offer a fee-based digital advice solution to Sponsors’

existing/prospective end Clients designed to collect basic information from the user, including age, investment objective, time horizon and initial and periodic investments. A risk-tolerance questionnaire is included as a guide to assist the user in selecting a model.

A third-party broker-dealer/investment adviser serves as Sponsor of the wrap program utilizing Digital Portfolios and Lockwood offers its portfolio management services.

This brochure (the “Brochure”) describes Lockwood’s advisory services (collectively, the “Products”) it provides to the Clients of third-party Firms, where Lockwood does not also serve as a wrap sponsor. More information about the portfolio management services is in Item 8 of the Brochure. A brief description of each of the Products follows:

*Lockwood AdvisorFlex Portfolios* (“AFP”) is a flexible mutual fund and exchange-traded fund (“ETF”) wrap account product available in Command.

*Lockwood WealthStart® Portfolios* (“WealthStart”) is a fixed mutual fund and ETF wrap product available in Command;

*Lockwood Asset Allocation Portfolios* (“LAAP”) is a fixed mutual fund and ETF wrap account product available in Command.

*Lockwood/American Funds Core Portfolios* (“LAFCP”) is a fixed mutual fund and ETF wrap account product constructed using American Funds mutual funds available in Command.

*Lockwood Low Balance Portfolios* (“LLBP”) is a fixed mutual fund wrap account product available in Command.

*Lockwood ESG ETF Portfolios* (“LESG”) is a fixed ETF wrap account product available in Command.

In the *Third Party Model Providers* product, Lockwood provides you with access to, and serves as the portfolio manager for, asset allocation models (each a “Model”) generated by third party model providers (“Third Party Model Providers”). Third Party Model Providers are available in Command, although the availability of specific Third Party Model Providers may vary by program and Sponsor.

In the *Command Sponsor UMA* product Lockwood serves as the overlay manager with respect to a Sponsor’s UMA program using model portfolios from Third Party Model Providers selected by the Sponsor (“Command Sponsor UMA Program”). In certain instances, a portion of Client assets within the UMA are managed by a third party money manager (“Sleeve Manager”) on a discretionary basis.

In the *Command Sponsor Models Based Separately Managed Account* (“SMA”) product Lockwood serves as the portfolio manager with respect to a Sponsor’s SMA program using model portfolios from third party money managers selected by the Sponsor (“Command Sponsor Model Based SMA Program”).

Model providers who provide the models for the Third Party Model Providers product, the Command Sponsor UMA product and/or the Models Based SMA product are collectively referred to as “Model Providers” in this Brochure.

AFP, WealthStart, LAAP, LAFPC, LLBP and LESG are collectively referred to as “Lockwood Proprietary Products” in this Brochure.

In certain cases, the name of a Product as communicated by your Sponsor will differ from the naming used in this Brochure. If you have any questions with respect to the Product that is applicable to you, please contact your Consultant.

Products specifically made available to you vary based on the Sponsor.

### 3. Institutional Advice

Lockwood provides investment advice and analysis to financial intermediaries, including research on mutual funds, ETFs, and SMA offerings.

### 4. Lockwood as Model Provider

Lockwood provides investment model portfolios, (“Model Portfolios”) to Firms and clients of Lockwood for use by them in providing investment services to their Clients. Lockwood is paid a fee (in basis points) on the assets being managed pursuant to the Models Portfolios. The models are typically representative of other Lockwood managed products, such as the Lockwood Asset Allocation Portfolios, which is a mutual fund/ETF wrap account product managed by Lockwood on multiple investment platforms. Lockwood does not have any investment discretion in the management of these Model Portfolios.

In February of 2022 Lockwood’s former affiliate, Sunday Administration, LLC (“Sunday”) was acquired by Vestwell Holdings, Inc, and contemporaneously Lockwood entered into agreements with Vestwell Advisors, Inc, and Vestwell State Savings, LLC, (collectively “Vestwell”) to provide recommendations to Vestwell for Model Portfolios and Underlying Investments of the Model Portfolios consistent with investment objectives identified by Clients of Vestwell. Clients of Vestwell include, but are not limited to sponsors of 401(k) Plans, College 529 Plans, ABLE 529A Plans, State Sponsored “Secure Choice” Retirement Plans, Health Savings Account Investment Plans and retail facing broker-dealer investment accounts. Lockwood does not have any investment discretion with respect to any of these programs. Vestwell provides investment advisory, program management, recordkeeping and administrative support services to their clients. Lockwood is paid a fee (in basis points) pursuant to the agreements between Lockwood and Vestwell. In some instances Lockwood is a party to the agreements, along with Vestwell, to provide such Model Portfolios to Vestwell’s clients.



## 5. Direct Indexing Portfolio Management

Lockwood provides portfolio management services to institutional clients who elect to utilize proprietary direct indexing technology. Clients of Lockwood who elect this service choose an index strategy which the client modifies by providing specific investment management guidelines to Lockwood. Pursuant to an investment management agreement with the client, Lockwood monitors the portfolio and re-balances the investments periodically as it deems necessary. In the event that a client chooses a cash sweep option which is managed by an affiliate, assets in that investment will be excluded from Lockwood's billing.

## 6. Health Savings Account Offering

Lockwood provides investment advice to its affiliate, BNY Mellon Investment Servicing Trust Company ("Investment Servicing"), relating to mutual funds for Investment Servicing's Health Savings Account ("HSA") offering. Lockwood's role is limited to providing Investment Servicing initial and ongoing investment research related to recommended mutual funds to be available within the HSA offering. The final selection of funds for inclusion in the HSA offering is determined by Investment Servicing. Lockwood does not provide advice to end investors using the HSA offering. BNY Mellon Investment Servicing (US) Inc. is the servicer of the HSA offering, and provides services for the HSA on behalf of Investment Servicing. Lockwood, Investment Servicing, and BNY Mellon Investment Servicing (US) Inc. are affiliated parties, and are each an indirect wholly-owned subsidiary of BNY Mellon.

Certain mutual fund companies that comprise the universe of mutual funds considered for inclusion in the HSA offering, their investment advisers and/or sub-advisers, are affiliates of Lockwood. The relationship of the mutual fund company, investment adviser and/or sub-adviser with BNY Mellon is not a factor that Lockwood considers when making recommendations relating to mutual funds for the HSA offering.

Lockwood may make recommendations regarding inclusion of funds in the HSA that differ from decisions or recommendations regarding funds included in other products or programs managed by Lockwood

## **B. Lockwood Managed Client Account Customization**

Your Consultant is responsible for assisting you in making investment selections that are consistent with your specific individual investment goals and objectives. After your Consultant collects financial and personal information from you, you and your Consultant decide on an asset allocation strategy. Certain Consultants use software and research provided by Lockwood to assist you in identifying your goals.

## **C. Requirements for Investment Restrictions**

You may impose restrictions on specific securities or the types of securities (based on industry) to be bought and sold in your account. Reasonable restrictions will be considered; however, Lockwood may refuse any restriction it believes may interfere with its investment discipline, in its sole discretion. Restrictions cannot be applied to the underlying holdings of pooled

investment vehicles, such as mutual funds or ETFs, because of the nature of such vehicles and trading by Lockwood is done at the fund level and not at the underlying security level.

#### **D. Differences in Wrap and Non-Wrap Services**

The Products are generally only offered under wrap fee programs. In a wrap program, Lockwood's advisory fees are assessed to the Sponsor firm and Lockwood receives its proportion of the total fee paid to the Sponsor by the Client.

#### **E. Client Assets Under Management**

As of December 31, 2022, Lockwood had \$11,310,947,595 in discretionary assets under management and \$0 in non-discretionary assets under management.

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

Your total fee will vary depending on the services you select. Typically, your total fee will include the Sponsor fee (if applicable), Lockwood advisory fee, Model Provider fee (if applicable), the administrative fee, clearing and custody fee and Consultant fee (as determined by your financial intermediary), as described below. Fees are calculated as an annual percentage of assets based on the value of the account.

In evaluating a wrap program, Clients should consider a number of factors. A Client may be able to obtain some or all of the services available through a particular wrap fee program on an “unbundled” basis through the program Sponsor or through other firms and, depending on the circumstances, the aggregate of any separately paid fees may be lower (or higher) than the single, all-inclusive fee charged in the wrap fee program. Payment of an asset-based fee may or may not produce accounting, bookkeeping or income tax results that differ from those resulting from the separate payment of (i) securities commissions and other execution costs on a trade-by-trade basis and (ii) advisory fees. Any securities or other assets used to establish a wrap fee program account may be sold, and the Client will be responsible for payment of any taxes due. Lockwood recommends that each Client consult with his or her tax adviser or accountant regarding the tax treatment of wrap fee program accounts.

Depending on the Product(s) you select, Lockwood, Model Providers and/or Sleeve Managers determine the amount of trading in your account. The amount of trading activity will depend on a number of factors such as the investment approach and philosophy, asset class(es) that the portfolio invests in, market conditions and account restrictions. Depending on the amount of trades placed over a given period of time, the wrap fee charged to you may be greater than what would otherwise be charged to you on an unbundled trade-by-trade basis during that same period of time. You should review your account statements to understand the level of trading as well as periodically talk to your Consultant about the level of trading in your account, the fees involved and whether a wrap fee program and the particular investment option(s) you selected remain suitable for you.

Lockwood reserves the right, in its sole discretion, to negotiate or modify the basic fees set forth herein for any Sponsor due to a variety of factors, including but not limited to: type and size of

the accounts, the historical or anticipated transaction activity, the level of reporting and administrative operations required, the investment strategy or style, the number of portfolios or accounts involved, the Sponsor's total relationship assets under management, terms of the relationship between Lockwood and Sponsor, and/or the number and types of services provided for the Sponsor. Because Lockwood's fees are negotiable, the actual fee paid by any Client or group of Clients may differ by program and Sponsor. The Sponsors and Consultants set and charge fees independently and, accordingly, the fees charged by Sponsors and Consultants may vary.

In addition to the aforementioned, there are other costs assessed which are not included in Lockwood's fee, such as fees, expenses and charges levied by mutual funds, ETFs and money market funds. In addition, there are other fees charged by the custodian, as applicable, that are not included in Lockwood's fee, such as costs associated with the purchase and sale of certain mutual funds and other similar securities held in your account, dealer mark-ups, mark-downs, commissions, odd-lot differentials, exchange or auction fees, transfer taxes, costs for transactions executed other than at the custodian, any fees imposed by the SEC, electronic fund and wire transfers, fees for client-initiated transfers, costs associated with temporary investment of your funds in a cash management account, trust services charges, annual IRA custodial fees, IRA termination fees, custodial fees for prototype pension and profit sharing plans and Keoghs, custodial fees associated with special circumstances or events, such as transfer on death, returned check fees, paper delivery surcharges for brokerage statements and trade confirmations, and other charges mandated by law. Further, interest will normally be charged on a negative balance in your account. If Pershing has custody of the assets, it will credit interest and dividends to the account. Please review your investment advisory agreement for further information on how your Sponsor charges and collects fees.

Lockwood does not charge or receive compensation in connection with the sale of securities, mutual funds or other investment products. However, certain of our affiliates accept compensation for the sale and servicing of securities, mutual funds or other investment products. Accepting compensation for the sale and servicing of securities, mutual funds or other investment products gives rise to a conflict of interest in that it gives an incentive to recommend investment products based on the compensation our affiliates receive, rather than solely on a Client's needs. Lockwood addresses this conflict of interest by structuring the wrap fee products it manages so that fees are based on assets under management, rather than transactions and by applying the same criteria in deciding whether or not to offer a Product regardless as to whether it results in such compensation paid to any of its affiliates.

The fees described above do not include transaction charges for execution other than at your custodian. Please refer to Item 12 for more information about the applicable brokerage practices.

With respect to mutual funds used in any accounts for any of the Products, the respective mutual funds may charge a redemption fee if shares are redeemed within a specified period of time. The amount of the redemption fee, as well as the minimum holding period, is disclosed in each respective mutual fund's prospectus. For complete details, you should review each mutual fund's prospectus.

If your assets are custodied with Pershing, the mutual funds used in the Products are made available through Pershing. In such cases, Lockwood's affiliates, Pershing and Pershing Advisor Solutions, receive 12b-1 fees. In addition, certain mutual funds and their affiliates, including those that Lockwood invests in on behalf of Clients, pay networking fees, omnibus fees and compensate Pershing for providing services to their funds that are available on a no-transaction-fee basis. More information regarding fees paid to and compensation received by Pershing and Pershing Advisor Solutions is contained in Exhibit E.

- **12b-1 Fees.** These fees are paid by mutual funds to compensate Pershing and Pershing Advisor Solutions for providing distribution-related, administrative, and informational services, as applicable, associated with each fund. 12b-1 fees are included in the "annual operating expenses" or "expense ratio" charged by each fund. In instances where Lockwood selects a share class that pays a 12b-1 fee, the broker-dealer maintaining the brokerage account will receive payment of the 12b-1 fee. In instances where the brokerage account is maintained by Lockwood's affiliate Pershing Advisor Solutions, Pershing Advisor Solutions will receive 12b-1 fees. In limited circumstances, Lockwood's affiliate Pershing may receive a portion of a 12b-1 fee as compensation for services provided for custodied funds.
- **Omnibus Fees.** A number of funds compensate Pershing for providing record-keeping and related services. Pershing generally holds a single "omnibus" account with the fund, and therefore maintains all pertinent individual shareholder information for the fund. The compensation for these services is commonly referred to as "omnibus fees." Omnibus fees compensate Pershing for providing these services, which would otherwise be required to be provided by the fund. Omnibus fees are paid from investor assets in the funds, but in some cases may be subsidized in part by affiliates or the distributor of the funds.
- **Networking Fees.** Positions for fund families that are not held on an omnibus basis are held on a networked basis, which means Pershing maintains a separate account on behalf of each shareholder. Networking fees compensate Pershing for providing these services, which would otherwise be required to be provided by the fund. Networking fees are paid out of the assets of the fund manager, but in some cases may be subsidized in part by affiliates or the distributor of the funds.
- **No-Transaction-Fees.** Pershing receives compensation from mutual funds that it makes available on a no-transaction-fee basis for services provided to the funds. This compensation is paid out of the assets of the fund manager, but in some cases may be subsidized in part by affiliates or the distributor of the funds.

Mutual fund companies offer a variety of share classes with different expense levels, and the amount of compensation Pershing and Pershing Advisor Solutions receives will vary depending on whether the fund companies, mutual funds or share classes pay 12b-1 fees, omnibus fees, networking fees, or are offered on a no-transaction-fee basis, and on the amount of such compensation. Not all mutual funds and share classes available to the investing public will be available to Lockwood for use in all Products, and clients should not assume that Lockwood is selecting share classes with the lowest available expense ratio. The share class of a mutual fund offered by Lockwood can have higher expenses (including because of compensation paid to Pershing and Pershing Advisor Solutions), than other share classes of that mutual fund for which

a Client is eligible or that might otherwise be available if a Client invested in the mutual fund through a third party or through the mutual fund directly. An investor who holds a more expensive share class of a fund will pay higher fees over time – and earn lower investment returns – than an investor who holds a less expensive share class of the same fund. When evaluating the reasonability of fees and the total compensation Lockwood receives, you should consider not just the fees received by Lockwood (as set forth for the applicable Products below), but also the additional compensation Lockwood’s affiliates receive from the funds in the chosen Product.

When selecting the share class of a mutual fund used in the Products, Lockwood has a conflict of interest to the extent that its selection of a particular share class results in greater compensation to Pershing and Pershing Advisor Solutions. Lockwood addresses this conflict through a combination of disclosure to Clients and through policies and procedures designed to prevent Lockwood from considering the fees received by affiliates when selecting a fund or share class. Lockwood reviews the mutual funds contained in its discretionary portfolios semi-annually to review share classes considerations

#### **A. AdvisorFlex Portfolios**

Lockwood receives a maximum annual fee of 0.40% for AFP in Command (“AFP Command Program Fee”).

The AFP Command Program Fee includes the Lockwood advisory fee, the administrative fee and a clearing and custody fee paid to Lockwood’s affiliate, Pershing. In cases where an unaffiliated third-party firm serves as custodian, the AFP Command Program Fee does not include the clearing and custody fee. Your Sponsor and/or Consultant may add additional fees subject to the applicable written agreement between the Sponsor or its Consultant and you. These additional fees should be disclosed in the Sponsor’s Form ADV Wrap Fee Brochure. Lockwood’s fee for AFP does not include fees or expenses which may be associated with the underlying pooled investment vehicles (such as mutual funds and ETFs), which include advisory fees and operational expenses such as transfer agent, distribution (12b-1), shareholder servicing, networking, recordkeeping fees and any transaction costs associated with the underlying investments held by the fund. Your account will bear these fees and expenses as an investor in such pooled investment vehicles and, as a result, you may bear higher expenses than if you invested directly in the securities held by the pooled investment vehicle.

#### **B. Lockwood WealthStart Portfolios**

Lockwood receives a maximum annual fee of 0.37% for WealthStart in Command (“WealthStart Command Program Fee”).

The WealthStart Command Program Fee includes Lockwood’s advisory fee, the administrative fee, and a clearing and custody fee paid to Lockwood’s affiliate, Pershing. In cases where an unaffiliated third-party firm serves as custodian, the WealthStart Command Program Fee does not include the clearing and custody fee. Your Sponsor and/or Consultant may add additional fees subject to the applicable written agreement between the Sponsor or its Consultant and you. These additional fees should be disclosed in the Sponsor’s Form ADV Wrap Fee Brochure.

The Program Fee for WealthStart does not include fees or expenses that may be associated with the mutual funds and ETFs an account invests in, which include advisory fees and operational expenses such as transfer agent, distribution (12b-1), shareholder servicing, networking and recordkeeping fees and any transaction costs associated with the underlying investments held by the fund. Your account will bear these fees and expenses as an investor in such mutual funds and ETFs and, as a result, you may bear higher expenses than if you invested directly in the securities held by such funds.

The services offered by Lockwood for WealthStart Portfolios may differ from the services offered in other Products with a higher minimum account size. These differences may include, without limitation, fewer securities positions within individual models, a more limited number of security types held, more limited performance reporting, and fewer or different triggers for account rebalancing.

### **C. Lockwood Asset Allocation Portfolios**

Lockwood receives a maximum annual fee of 0.40% for LAAP in Command (“LAAP Command Program Fee”).

The LAAP Command Program Fee includes the Lockwood advisory fee, the administrative fee and a clearing and custody fee paid to Lockwood’s affiliate, Pershing. In cases where an unaffiliated third-party firm serves as custodian, the LAAP Command Program Fee does not include the clearing and custody fee. Your Sponsor and/or Consultant may add additional fees subject to the applicable written agreement between the Sponsor or its Consultant and you. These additional fees should be disclosed in the Sponsor’s Form ADV Wrap Fee Brochure.

The Program Fee for LAAP does not include fees or expenses which may be associated with the underlying pooled investment vehicles (such as mutual funds and ETFs), which include advisory fees and operational expenses such as transfer agent, distribution (12b-1), shareholder servicing, networking, recordkeeping fees and any transaction costs associated with the underlying investments held by the fund. Your account will bear these fees and expenses as an investor in such pooled investment vehicles and, as a result, you may bear higher expenses than if you invested directly in the securities held by the pooled investment vehicle.

In certain instances, Lockwood may share a portion of its fee with the Sponsor to cover administrative services associated with sponsor activities, subject to the following schedule:

<b><u>Account Size</u></b>	<b><u>Fee to Sponsor</u></b>
First \$500,000	0.03%
Next \$500,000	0.02%
Next \$4,000,000	0.01%
Next \$5,000,000	0.01%
Over \$10,000,000	0.01%

#### **D. Lockwood/American Funds Core Portfolios**

Lockwood receives a maximum annual fee of 0.37% for LAFCP in Command (“LAFCP Command Program Fee”).

The LAFCP Command Program Fee includes the Lockwood advisory fee, the administrative fee and a clearing and custody fee paid to Lockwood’s affiliate, Pershing. In cases where an unaffiliated third-party firm serves as custodian, the LAFCP Command Program Fee does not include the clearing and custody fee. Your Sponsor and/or Consultant may add additional fees subject to the applicable written agreement between the Sponsor or its Consultant and you. These additional fees should be disclosed in the Sponsor’s Form ADV Wrap Fee Brochure.

The LAFCP Program Fee does not include fees or expenses which may be associated with the underlying pooled investment vehicles (such as mutual funds and ETFs), which include advisory fees and operational expenses such as transfer agent, distribution (12b-1), shareholder servicing, networking, recordkeeping fees and any transaction costs associated with the underlying investments held by the fund. Your account will bear these fees and expenses as an investor in such pooled investment vehicles and, as a result, you may bear higher expenses than if you invested directly in the securities held by the pooled investment vehicle.

With respect to LAFCP, Lockwood, serving as the portfolio manager, allocates investor assets systematically across multiple asset classes and styles using American Funds mutual funds and other select ETFs in a single account. Lockwood determines the asset allocation strategy and selects investment vehicles for each investment style in the portfolio, based upon proprietary modeling strategies, economic outlook and investment research discipline. Lockwood is solely responsible for the fund selection and construction of LAFCP, and neither American Funds Distributors, Inc. nor its affiliates are involved in such activities, nor do American Funds Distributors, Inc. or its affiliates serve as investment adviser to Client accounts. The securities currently used in LAFCP are subject to change at Lockwood’s sole discretion. This process is described in more detail in Item 6 of this Brochure.

#### **E. Lockwood Low Balance Portfolios**

Lockwood receives a maximum annual fee of 0.15% for LLBP in Command.

The fee Lockwood receives for its services are set forth in an Agreement between Lockwood and your Sponsor. Your Sponsor and/or Consultant may add additional fees subject to the applicable written agreement between the Sponsor or its Consultant and you. You may also be charged additional fees by your broker and/or custodian. These additional fees should be disclosed in your written Agreements with Sponsor firms, broker-dealers and/or your custodian, and the disclosures they provide or make available to you.

Lockwood’s fee for LLBP does not include fees or expenses which may be associated with the underlying pooled investment vehicles (such as mutual funds and ETFs), which include advisory fees and operational expenses such as transfer agent, distribution (12b-1), shareholder servicing, networking, recordkeeping fees and any transaction costs associated with the underlying investments held by the fund. Your account will bear these fees and expenses as an



investor in such pooled investment vehicles and, as a result, you may bear higher expenses than if you invested directly in the securities held by the pooled investment vehicle.

#### **F. Lockwood ESG ETF Portfolios**

Lockwood receives a maximum annual fee of 0.15% for LESG in Command.

The fee Lockwood receives for its services are set forth in an Agreement between Lockwood and your Sponsor. Your Sponsor and/or Consultant may add additional fees subject to the applicable written agreement between the Sponsor or its Consultant and you. You may also be charged additional fees by your broker and/or custodian. These additional fees should be disclosed in your written Agreements with Sponsor firms, broker-dealers and/or your custodian, and the disclosures they provide or make available to you.

Lockwood's fee for LESG does not include fees or expenses which may be associated with the underlying pooled investment vehicles (such as mutual funds and ETFs), which include advisory fees and operational expenses such as transfer agent, distribution (12b-1), shareholder servicing, networking, recordkeeping fees and any transaction costs associated with the underlying investments held by the fund. Your account will bear these fees and expenses as an investor in such pooled investment vehicles and, as a result, you may bear higher expenses than if you invested directly in the securities held by the pooled investment vehicle.

#### **G. Third Party Model Providers**

Lockwood receives a maximum annual fee of 0.30% for Third Party Model Providers in Command ("Third Party Model Provider Command Program Fee").

The Third Party Model Provider Command Program Fee typically includes the Lockwood advisory fee, the administrative fee and a clearing and custody fee paid to Lockwood's affiliate, Pershing. In cases where an unaffiliated third-party firm serves as custodian, the Third Party Model Provider Command Program Fee does not include the clearing and custody fee. Your Sponsor and/or Consultant may add additional fees subject to the applicable written agreement between the Sponsor or its Consultant and you. These additional fees should be disclosed in the Sponsor's Form ADV Wrap Fee Brochure.

In addition to the Third Party Model Provider Command Program Fee, certain Third Party Model Providers charge a fee (the "Model Provider Fee"). The Model Provider Fee varies by Model, and is shown in Exhibit A. Please note that all Models or Third Party Model Providers included in Exhibit A may not be available in every Sponsor's program. Please consult your Sponsor or Consultant for more information about the fee applicable to your account and the Third Party Model Providers available to you. With respect to certain Model Providers, the Model Provider Fee will include an administrative fee received by Pershing ("Administrative Fee") for services associated with trade administration support for the Model Portfolios, the portfolio accounting system, the billing support provided to Model Providers, tax lot or performance reporting and other administrative services. In certain instances the Administrative Fee will be reduced or waived. Because the Administrative Fees that Pershing receives differ across Model Providers, Lockwood has an incentive to make available certain Model Providers where such fees favor Pershing. Lockwood manages this conflict of interest in two ways. First, Lockwood applies the



same criteria in making Model Providers available regardless of fee structure. Second, the Third Party Model Providers product is structured in such a way where the decision regarding which Model Providers and Sleeve Managers to make available to Clients rests with the Sponsors and the decision regarding which Model Providers and Sleeve Managers to select rests with Clients in Consultation with the Consultant.

The Lockwood Third Party Model Provider Command Program Fee does not include fees or expenses associated with the specific underlying pooled investment vehicles (such as mutual funds and ETFs), which include advisory fees and operational expenses such as transfer agent, distribution (12b-1), shareholder servicing, networking, recordkeeping fees and any transaction costs associated with the underlying investments held by the fund. Your account will bear these fees and expenses as an investor in such pooled investment vehicles and, as a result, you may bear higher expenses than if you invested directly in the securities held by the pooled investment vehicle.

In addition, the mutual funds and/or ETFs included within some Third Party Model Provider Models may be advised or otherwise affiliated with the Third Party Model provider (“Third Party Model Provider Affiliated Funds”). As a result, the Third Party Model Provider or its affiliates would receive fees from the Third Party Model Provider Affiliated Funds in addition to any applicable Third Party Model Provider Fee shown in Exhibit A.

#### **H. Command Sponsor UMA**

Lockwood’s fees for its services as overlay manager in a Command Sponsor’s UMA Program (“Command UMA Lockwood Fee”) may vary by client. Lockwood is paid a maximum Command UMA Lockwood Fee of 0.25%. The Command UMA Lockwood Fee is a bundled fee and covers Lockwood’s fee for overlay services, the fee for platform and administrative services, and a clearing and custody fee paid to Lockwood’s affiliate, Pershing. Examples of platform and administrative services include providing performance reports, periodic account billing, document processing and providing information systems. In cases where an unaffiliated third-party firm serves as custodian, the Command UMA Lockwood Fee does not include the clearing and custody fee. Please consult your Sponsor or your Consultant for more information about what is included in the Command UMA Lockwood Fee applicable to your account.

Lockwood’s fees are negotiable under certain circumstances, in Lockwood’s sole discretion. You may pay more or less than other Clients depending on certain factors, including the type and size of the accounts, the historical or anticipated transaction activity, the range of services provided to you, terms of the relationship between Lockwood and Firm, and your total relationship assets under management. Your Sponsor and/or Consultant may add additional fees subject to the applicable written agreement between the Sponsor or its Consultant and you.

Model Providers (“UMA Model Providers”) and Sleeve Managers included in a Command Sponsor’s UMA Program generally charge a fee (the “Model Provider Fee” and “Sleeve Manager Fee”). The Model Provider Fee and Sleeve Manager Fee varies by UMA Model Provider, Sleeve Manager and model. Please consult your Sponsor or Consultant for more information about the fees applicable to your account and the UMA Model Providers and Sleeve Managers available to you. The Command UMA Lockwood Fee does not include the Model Provider Fee or Sleeve Manager Fee, if any. The fees charged by a UMA Model Provider or

Sleeve Manager in a Command Sponsor's UMA Program may be different from the UMA Model Provider's and Sleeve Manager's fee in other programs. You can expect that the Model Provider Fee and Sleeve Manager Fee will include an administrative fee received by Pershing ("Administrative Fee") for services associated with trade administration support for the Model Providers, the portfolio accounting system, the billing support provided to Model Providers/Sleeve Managers, tax lot or performance reporting and other administrative services. In certain instances the Administrative Fee will be reduced or waived. Because the Administrative Fees that Pershing receives differ across Model Providers and Sleeve Managers, Lockwood has an incentive to make available certain Model Providers/Sleeve Managers where such fees favor Pershing. Lockwood manages this conflict of interest in two ways. First, Lockwood applies the same criteria in making Model Providers and Sleeve Managers available regardless of fee structure. Second, the Command Sponsor UMA product is structured in such a way where the decision regarding which Model Providers and Sleeve Managers to make available to Clients rests with the Sponsors and the decision regarding which Model Providers and Sleeve Managers to select rests with Clients in Consultation with the Consultant.

Please refer to each UMA Model Provider's and Sleeve Manager's Form ADV, Part 2 or alternatively, if applicable, their disclosure brochures for more information about their fees.

A Command Sponsor's UMA Program account with a balance close to the minimum investment may have limited Model Provider and Sleeve Manager options available. Lockwood does not select, or provide any advice with respect to the selection of any particular UMA Model Provider(s) or Sleeve Manager(s), or any particular number of UMA Model Provider(s) or Sleeve Manager(s), for your account.

The Command UMA Lockwood Fee does not include any fees or expenses associated with the specific underlying, pooled investment vehicles (such as mutual funds and ETFs) included in your account, which include advisory fees and operational expenses such as transfer agent, distribution (12b-1), shareholder servicing, networking, recordkeeping fees and any transaction costs associated with the underlying investments held by the fund. Your account will bear these fees and expenses as an investor in such pooled investment vehicles and, as a result, you may bear higher expenses than if you invested directly in the securities held by the pooled investment vehicle.

In addition, the mutual funds and/or ETFs included within some model portfolios may be advised or otherwise affiliated with the UMA Model Provider ("UMA Model Provider Affiliated Funds"). As a result, the UMA Model Provider or its affiliates would receive fees from the UMA Model Provider Affiliated Funds in addition to any applicable Model Provider Fee.

In certain instances, the Third Party Model Providers and/or another Product managed by Lockwood may be an investment option within a Command Sponsor's UMA Program.

## **I. Command Sponsor Model Based SMA**

Lockwood's fees for its services as portfolio manager in a Command Sponsor's Model Based SMA Program ("Lockwood SMA Manager Fee") may vary by client. Presently, Lockwood is paid a maximum Lockwood SMA Manager Fee of 0.22%. The Lockwood SMA Manager Fee is

a bundled fee and covers Lockwood's fee for portfolio manager services, the fee for platform and administrative services, and a clearing and custody fee paid to Lockwood's affiliate, Pershing. Examples of platform and administrative services include providing performance reports, periodic account billing, document processing and providing information systems. In cases where an unaffiliated third-party firm serves as custodian, the Lockwood SMA Manager Fee does not include the clearing and custody fee. Please consult your Sponsor or your Consultant for more information about what is included in the Lockwood SMA Manager Fee applicable to your account. The Lockwood SMA Manager Fee may be negotiated, in Lockwood's sole discretion, and may vary from the above depending on your Sponsor's program. Your Sponsor and/or Consultant may add additional fees subject to the applicable written agreement between the Sponsor or its Consultant and you.

Model providers included in a Command Sponsor's Model Based SMA Program ("SMA Model Providers") generally charge a fee (the "SMA Model Provider Fee"). Collectively, Third Party Model Providers, UMA Model Providers, and SMA Model Providers are referred to in this Brochure as "Model Providers." The SMA Model Provider Fee varies by SMA Model Provider and model. Please consult your Sponsor or Consultant for more information about the fees applicable to your account and the SMA Model Providers available to you. The Lockwood SMA Manager Fee does not include the SMA Model Provider Fee, if any. The fees charged by an SMA Model Provider in a Command Sponsor's Model Based SMA Program may be different from the SMA Model Provider's fee in other programs. You can expect that the SMA Model Provider Fee will include an administrative fee received by Pershing ("Administrative Fee") for services associated with trade administration support for the SMA Model Providers, the portfolio accounting system, the billing support provided to SMA Model Providers, tax lot or performance reporting and other administrative services. In certain instances the Administrative Fee will be reduced or waived. Because the Administrative Fees that Pershing receives differ across SMA Model Providers, Lockwood has an incentive to make available certain SMA Model Providers where such fees favor Pershing. Lockwood manages this conflict of interest in two ways. First, Lockwood applies the same criteria in making SMA Model Providers available regardless of fee structure. Second, the Command Sponsor Model Based SMA product is structured in such a way where the decision regarding which SMA Model Providers to make available to Clients rests with the Sponsors and the decision regarding which SMA Model Providers to select rests with Clients in Consultation with the Consultant.

Please refer to each SMA Model Provider's Form ADV, Part 2 or alternatively, if applicable, its disclosure brochure for more information about its fees. Lockwood does not select any particular SMA Model Provider or models for inclusion in a Command Sponsor's Model Based SMA Program or for your account.

The Lockwood SMA Manager Fee does not include any fees or expenses associated with the specific underlying pooled investment vehicles (such as mutual funds and ETFs) included in your account, which include advisory fees and operational expenses such as transfer agent, distribution (12b-1), shareholder servicing, networking, recordkeeping fees and any transaction costs associated with the underlying investments held by the fund. Your account will bear these fees and expenses as an investor in such pooled investment vehicles and, as a result, you may bear higher expenses than if you invested directly in the securities held by the pooled investment vehicle.

In addition, the mutual funds and/or ETFs included within some model portfolios may be advised or otherwise affiliated with the SMA Model Provider (“Model Provider Affiliated Funds”). As a result, the SMA Model Provider or its affiliates would receive fees from the Model Provider Affiliated Funds in addition to any applicable SMA Model Provider Fee.

In certain instances, the Third Party Model Providers and/or another Product managed by Lockwood may be an investment option within a Command Sponsor’s Model Based SMA Program.

#### **J. Advisory Account Termination**

If you terminate Lockwood as your portfolio manager or if Lockwood terminates its relationship with you, Lockwood will refund the unused portion of its fee to your brokerage account that was used for the Program account.

Lockwood will calculate your refund based on the fee you paid for the applicable billing period and the number of days left in the period as of the day you terminated your account.

#### **K. Compensation for the Sale of Securities**

Neither Lockwood nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

#### **L. Investment of Cash**

You may choose from a selection of money market funds or other short-term cash vehicles (“Sweep Options”) that are available through your Sponsor for non-IRA or non-ERISA accounts for investment of any cash held overnight in a brokerage account at your custodian. The universe of Sweep Options made available to you is in the sole discretion of your Sponsor. These funds are fully described in each fund’s prospectus, which you should review in detail. You will receive a prospectus for the fund when you open your account and it will contain a complete description of any relevant fees and/or expenses.

In utilizing money market or other funds, Pershing may receive a benefit from its possession and temporary investment of cash balances in your accounts prior to investment, whether in a sweep arrangement or otherwise. Pershing may be paid certain fees relating to these funds, such as networking or 12b-1 fees. Pershing does not receive any fees or compensation from the non-FDIC insured sweep vehicle(s) designated for IRA and ERISA accounts.

You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the fund’s liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund’s sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Your Sponsor will establish a minimum and maximum allocation to cash. You, along with your Consultant, will determine an amount of cash to hold in your account within the range established by your Sponsor. In addition, Lockwood and Model Providers include allocations to cash in their portfolios or Models. These allocations to cash are considered invested assets for purposes of calculating Lockwood's and Model Providers' asset-based fees.

#### **M. Billing for Contributions and Withdrawals**

Every Sponsor may have different rules regarding whether your fee is adjusted to account for contributions to your account and/or withdrawals from your account made during the quarter and such rules may impact Lockwood's fee. Please contact your Consultant to determine your Sponsor's rules.

#### **N. Fees Related to International Investments**

Certain Model Providers which offer international investment styles may include securities on foreign exchanges (known as "Ordinaries"), which may be held in your account as Ordinaries or may be converted to American Depositary Receipts ("ADRs") prior to being added to your account.

Model Providers may include exposure to both domestic and foreign stocks in order to achieve greater diversification and with the goal of increasing the likelihood that a portfolio's overall investment returns will have less volatility. The reason is because the returns for international investments sometimes move in a different direction than the returns for U.S. investments. Even when international and U.S. investments move in the same direction the degree of change may be very different. You should balance these considerations against the possibility of higher costs, sudden changes in value, and the special risks of international investing.

Like any other investment, you should learn as much as you can about any investment style before you invest. You should research the political, economic, and social conditions that may impact the investment style so you will understand better the factors that may affect the fees that may be associated with making such an investment. Prior to investing in an international investment style that may include ADRs, investors should ask their Consultants what fees are charged to them as an ADR investor, how those fees will be assessed and how the fees or related costs will be disclosed on your account statement.

International investing in various products can be more expensive than investing in U.S. companies. For instance, in smaller markets you may have to pay a premium to purchase shares of popular companies, and in some countries there may be unexpected taxes, such as withholding taxes on dividends. Transaction costs such as fees, brokers' commissions, and taxes often are higher than in the U.S. markets. Likewise, much like investing in specific ADRs, many mutual funds that invest abroad often have higher fees and expenses than funds that invest in U.S. stocks, in part because of the extra expense of trading in foreign markets.

These fees typically include, but are not limited to, brokerage expenses, local market execution fees and taxes, exchange-specific taxes/stamp fees, duties/levies, ADR conversion fees, and/or additional settlement and custody charges. Pershing may separately assess a fee for such transactions.

Certain non-U.S. jurisdictions may impose taxes on securities transactions. If you own an investment style containing any securities subject to such a tax your account will be assessed this tax, which will be remitted to the government of the applicable non-U.S. jurisdiction.

Pershing may use a third-party or an affiliated broker-dealer licensed in Canada, which entity may be paid certain execution fees.

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

Advisers are subject to certain fiduciary standards under federal law and owe clients an affirmative duty of utmost good faith to act solely in the best interests of the client and to make full and fair disclosure of all material facts, particularly where the adviser's interests may conflict with the client's best interest. The fees Lockwood receives does not include performance-based fees whereby Lockwood is compensated based on a share of capital gains upon, or capital appreciation of, funds or any portion of funds or other investments in your account. Nor does Lockwood contract with any Model Provider or Sub-Adviser to pay any performance-based compensation.

### **Conflicts of Interest Relating to the Management of Multiple Client Accounts**

We and certain of our affiliates perform investment advisory services for various clients. We may give advice and take action in the performance of our duties with respect to any of our other clients which may differ from the advice given, or the timing or nature of action taken, with respect to another client. We have no obligation to purchase or sell for a client any security or other property which we purchase or sell for our own account or for the account of any other client, if it is undesirable or impractical to take such action. We may give advice or take action in the performance of our duties with respect to any of our clients which may differ from the advice given, or the timing or nature of action taken, by our affiliates on behalf of their clients.

### **Conflicts of Interest Relating to "Proprietary Accounts"**

Lockwood, our affiliates, and our employees from time to time invest in products managed by Lockwood ("Proprietary Accounts"). This creates conflicts of interest, as Lockwood has an incentive to favor Proprietary Accounts by, for example, directing our best investment ideas to the Proprietary Accounts or allocating, aggregating or sequencing trades in favor of such accounts, to the disadvantage of other accounts. We also have an incentive to dedicate more time and attention to Proprietary Accounts and to give them better execution and brokerage commissions than our other client accounts.

### **Other Conflicts of Interest**

As noted previously, we and certain of our affiliates manage numerous accounts with a variety of interests. This necessarily creates conflicts of interest for us. For example, from time to time, we or an affiliate cause multiple accounts to invest in the same investment. Such accounts may have conflicting interests and objectives in connection with such investment, including differing views on the operations or activities of the portfolio company, the targeted returns for the transaction and the timeframe for and method of exiting the investment. Conflicts also arise in

cases where multiple Lockwood and/or affiliate client accounts are invested in different parts of an issuer's capital structure. For example, one of our client accounts could acquire an equity investment of a company while an affiliate's client account acquires a debt obligation of the same company. In negotiating the terms and conditions of any such investments, we may find that the interests of the debt-holding client accounts and the equity holding client accounts conflict. If that issuer encounters financial problems, decisions over the terms of the workout could raise conflicts of interest (including, for example, conflicts over proposed waivers and amendments to debt covenants). For example, debt holding accounts may be better served by a liquidation of an issuer in which it could be paid in full, while equity holding accounts might prefer a reorganization of the issuer that would have the potential to retain value for the equity holders. As another example, holders of an issuer's senior securities may be able to act to direct cash flows away from junior security holders, and both the junior and senior security holders may be Lockwood client accounts.

## **Item 7 Types of Clients**

### **A. Client Description**

Lockwood's clients may include institutions such as financial services firms, investment management firms, insurance companies, other registered investment advisers, broker-dealers, and banks whose investor clients may consist of individuals, banks or thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations and corporations or business entities. Lockwood may accept certain non-U.S. clients, in its sole discretion, in accordance with all applicable laws. Lockwood also provides services to certain institutional clients, including retirement and savings plans.

### **B. General Requirements**

#### **1. Sponsor/Consultant Requirement**

As described in Item 4, Lockwood's portfolio management services are generally offered to investors through programs where the Consultant of a third-party Firm or Sponsor provides advice to you. Consultants are not employees of Lockwood, but are independent or employed by Sponsors and Firms typically not affiliated with Lockwood.

#### **2. Client Process and Document Requirements**

Generally, you should have a written agreement with your Sponsor and/or Consultant. The Consultant collects financial and background information from you, and assists you in identifying your investment objectives. The Consultant recommends strategies that are designed to meet those objectives. Your Consultant is your primary contact and he or she should report to you regularly.

Consultants may utilize software and marketing and sales material and other documentation provided by Lockwood to assist you in selecting the product and investment style or model which is suitable for you, both initially and on an on-going basis. The Consultant: 1) collects financial and personal information from you; 2) transmits such information to Lockwood; and 3) assists you in establishing investment objectives.

The Consultant provides you with account opening paperwork, brokerage agreement(s), along with a copy of the Sponsor's Wrap Fee Brochure and, in cases where Lockwood is the portfolio manager for the selected product, Lockwood's Form ADV Part 2A, Firm Brochure. Once completed, the Consultant submits the financial information, investment objectives and account forms to the Sponsor, your custodian and/or any other broker-dealer, as applicable. Lockwood reviews the information provided by you and once accepted, your managed account is opened.

Your Sponsor and Consultant are responsible for determining whether a Product is a suitable investment for you. Lockwood also reviews the account opening paperwork or Client profile information provided by the Sponsor or your Consultant to determine whether the selected strategy is appropriate for you. At any time, Lockwood may request additional information to verify the information provided by you. After Lockwood reviews and accepts the account, Lockwood is granted investment discretion by you and exercises such discretion in the day-to-day management of the account.

### 3. Requirements for Investment Restrictions

You may impose restrictions on specific securities or the types of securities (based on industry) to be bought and sold in your account. Reasonable restrictions will be considered; however, Lockwood may refuse a restriction it believes may interfere with its investment discipline, in its sole discretion. Restrictions cannot be applied to the underlying holdings of pooled investment vehicles, such as mutual funds or ETFs, because trading by the Portfolio Manager is done at the fund level and not at the underlying security level.

### 4. Unfunded Account Termination - Command

In Command, if your account has a zero balance for more than six months your advisory account will be terminated. Your underlying brokerage account, however, will remain open, unless terminated by the broker or custodian. Once an advisory account has been terminated, the account will no longer be recognized by Lockwood. Lockwood will not be held responsible for account trading delays that may result. Further, Lockwood will not provide any communications to you or your Consultant regarding terminated advisory accounts. It is recommended that if you have a terminated account, you contact your Consultant to terminate the underlying brokerage account. You should notify your Consultant if you wish to keep an account open for future funding. If you wish to reopen a terminated advisory account, you should contact your Consultant. New account paperwork may be required and other procedures for reactivating the account must be followed.

### 5. Collateral Accounts

If an account is pledged as collateral for a loan and if the lender has initiated a liquidation of securities in the account pursuant to the terms of the collateral agreement, your account may not be invested in accordance with the model portfolio and/or your investment objective for a period of time.



6. U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Sanctions Program

In compliance with the OFAC sanctions program, Lockwood or its designee will check to verify that your name does not appear on OFAC's "Specifically Designated Nationals and Blocked Persons" List ("SDN List"). Your name will also be checked to verify that you are not from, or engaging in transactions with people or entities from, embargoed countries and regions published on the OFAC Web Site. Lockwood or its agent may access these lists through various software programs to conduct these searches in a timely and accurate manner. Lockwood or its designee will also review existing accounts against these lists when they are updated.

In the event Lockwood or its designee determines a Client, or someone with or for whom the Client is transacting, is on the SDN List, or is from or engaging in transactions with a person or entity located in an embargoed country or region, Lockwood will notify and coordinate with its Anti-Money Laundering Compliance Officer to determine the proper course of action, which may include: rejecting the transaction and/or blocking the Client's assets, and; filing a blocked assets and/or rejected transaction form with OFAC.

C. Account Minimum Requirements

The account size minimums for the products Lockwood manages are shown below.

<u>Product Name</u>	<u>Account Opening Minimum</u>	<u>Subsequent Contribution Minimum</u>
WealthStart	\$10,000	\$1,000
LAAP	\$50,000	\$1,000
AFP	\$50,000	\$1,000
LAFCP	\$10,000	\$1,000
LESG	\$10,000	\$1,000
LLBP	\$1,000	\$0

For the Third Party Model Provider Models, each Model has its own account minimum. Please refer to Exhibit A to view the individual account minimum for each Model. Lockwood reserves the right to waive its minimum initial investment requirements, in its sole discretion. Lockwood may terminate your account should your account fail to meet the account minimum during the life of your account.

The minimum account size for the Command Sponsor UMA Program is determined by the Sponsor in conjunction with Lockwood. Each model in the Command Sponsor UMA Program may have a different investment minimum. Therefore, the size of your account may impact the number of Model Providers and Sleeve Managers that may be included within your Command Sponsor UMA account.

The minimum account size for the Command Sponsor Models Based SMA Program is determined by the Sponsor in conjunction with Lockwood. Please consult your Sponsor or Consultant for more information about the minimum account size applicable to your account in the Command Sponsor Models Based SMA Program.

You may fund your accounts with cash or securities, if such securities are included within the applicable Product. If you transfer securities into your account that are not included within the selected Product, such securities will be liquidated so your account can be invested in line with the selected Product.

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

### **A. Lockwood as Research Provider**

BNY Mellon has established the Investor Solutions Manager Research Group (“Manager Research Group”), which provides manager research across the BNY Mellon enterprise and is the primary manager research provider to Lockwood. The Manager Research Group will apply the criteria described below and will provide manager and investment vehicle research to Lockwood. Lockwood will retain decision-making responsibility regarding managers and investment vehicles included in a given program.

Lockwood evaluates certain third-party portfolio managers (“Portfolio Managers”) and Model Providers for inclusion in various managed account programs. Depending upon the particular program, Lockwood's review process may differ, as described below. Lockwood may work with the Manager Research Group of its affiliate, BNY Mellon, to review and research certain Portfolio Managers and Model Providers. Portfolio Managers and Model Providers are approved by Lockwood’s Investment Committee prior to inclusion in a given program.

In certain managed account programs, Lockwood provides the Firm with a list of covered Portfolio Managers (“Covered Managers”). In determining which Portfolio Managers are selected for coverage, Lockwood, through Manager Research Group, utilizes a preliminary screening process involving a variety of criteria, such as, but not limited to, a review of assets under management, personnel, registration, disclosures and regulatory history of each Portfolio Manager offered in the program, as well as conducting on-going reviews. Covered Managers undergo an additional analysis, typically conducted by the Manager Research Group, which includes a review of a range of quantitative criteria (relating to performance and portfolio reviews) and qualitative criteria (relating to such items as the investment team, philosophy, process and implementation). The criteria employed for each Covered Manager may not be identical and instead, is typically based on the nature of the Portfolio Manager's portfolios and investment philosophy.

Lockwood may, as an accommodation, permit certain Portfolio Managers which are not covered (“Non-Covered Managers”) to be accessible to Clients. Lockwood is not responsible for conducting initial or ongoing due diligence or determining the suitability of these Portfolio Managers, rather, the Client and the Client's Consultant assume these responsibilities. Lockwood may, in its sole discretion, conduct initial and on-going due diligence on a Non-Covered Manager.

In all cases, the Portfolio Manager selected has discretion over the Client's assets. Lockwood reserves the right to terminate any Portfolio Manager or Model Provider from its research coverage, at any time in Lockwood's sole discretion.

You should be familiar with the specific program you are contracted for and understand the level of diligence which is performed on the Portfolio Managers or Model Providers in the program.

## **B. Lockwood as Money Manager**

In Lockwood's role as the money manager for the Lockwood Proprietary Products (WealthStart, LAAP, AFP, LAFCP, LLBP, and LESG as each is described herein), Lockwood, itself or through the Manager Research Group, evaluates pooled investment vehicles such as mutual funds and ETFs and other investment vehicles for inclusion in the Lockwood Proprietary Products. Lockwood works with its affiliate, BNY Mellon, to identify, evaluate and implement these products, as well as in the on-going maintenance of these products.

With respect to mutual funds, Lockwood, through the Manager Research Group, uses a screening process to evaluate mutual funds. The criteria employed in the screening may vary depending on a variety of factors, but can include a range of criteria including analysis of the particular investment style, evaluation of the portfolio management team, performance criteria, costs associated with the fund, as well as other factors. With respect to ETFs, Lockwood, itself or through the Manager Research Group, uses a comparable screening process where the factors considered include, but are not limited to, the tracked index or benchmark, performance, comparables, personnel and content of the particular ETF.

In each case, the inclusion of these various investment vehicles in a Lockwood Proprietary Product is reviewed and approved by Lockwood's Investment Committee. Similarly, Lockwood may replace any of these investment vehicles, at its discretion, at any time.

## **C. Potential Conflicts of Interest Relating to Lockwood Managed Accounts**

Lockwood's use of the Manager Research Group creates a conflict of interest, particularly as it relates to Portfolio Managers owned by or affiliated with BNY Mellon. There may be instances where Lockwood and the Manager Research Group provide different advice depending upon the types of clients involved, the type of product involved and/or other factors, which may lead to different results. As a subsidiary of BNY Mellon, Lockwood has a substantial number of investment advisory affiliates. Sub-Advisers that are investment management affiliates of BNY Mellon and/or investment vehicles that are managed by investment management affiliates of BNY Mellon may be used in the construction of the Products' portfolios. When Lockwood serves as Portfolio Manager in Command, Lockwood does not purchase securities issued by BNY Mellon.

Lockwood's broker-dealer affiliates, including Pershing and Pershing Advisor Solutions, receive fees from certain mutual fund families whose funds are used in the Products. In addition, one or more Lockwood affiliates will, from time to time, be a service provider, such as a trustee or administrator to a mutual fund or ETF used in a Product, and they will typically receive a fee from the mutual fund or ETF for performing such service.

Certain employees of Lockwood or its affiliates may be invested in a Product. Lockwood monitors security ownership by its employees according to a personal trading policy, which is incorporated in the Lockwood Compliance Manual and Code of Ethics, which are described in Item 11.

Lockwood and its affiliates perform investment advisory services for various Clients. Lockwood may give advice and take action in the performance of its duties with respect to any of its other Clients, which may differ from the advice given, or the timing or nature of action taken, with respect to another Client. Lockwood has no obligation to purchase or sell for a Client any security or other property, which it purchases or sells for its own account or for the account of any other Client, if it is undesirable or impractical to take such action. Lockwood may give advice or take action in the performance of its duties with respect to any of its Clients, which may differ from the advice given, or the timing or nature of action taken by our affiliates on behalf of its Clients. If Lockwood becomes aware of a situation involving any of the foregoing conflicts of interest, it will be discussed and resolved on a case-by-case basis by the Lockwood Investment Committee. Any such discussions will factor in the interests of the relevant parties and applicable laws.

A Model Provider or Command Sponsor UMA Program Sponsor may independently select a mutual fund or ETF to be included in its Models or Command Sponsor UMA Program, respectively, which is advised or sub-advised by an investment advisory affiliate of Lockwood. A conflict exists because Lockwood has the discretion to replace such fund or ETF in Lockwood managed accounts, thereby affecting the compensation which may be earned by the affiliate. When Lockwood becomes aware that an affiliate is functioning in such capacity and where Lockwood chooses not to replace the fund or ETF, or the Model Provider or Sponsor is unable (or unwilling) to replace the fund or ETF, Lockwood will rebate the fees received by the affiliated adviser to the Client. For a list of Model Provider Models that include affiliate advised or sub-advised funds, as well as a list of affiliate advised or sub-advised funds available in one or more Command Sponsor UMA Programs, please refer to the Lockwood Affiliate Advised/Sub-Advised Fund and Model List located at: <https://www.pershing.com/disclosures#lockwood>. Model Providers and Sponsors, independent from Lockwood, determine which funds to include in their respective Models or Command Sponsor UMA Programs.

Please refer to Item 10, *Other Financial Industry Activities and Affiliations* for more information about potential conflicts of interest.

#### **D. Lockwood as Portfolio Manager: Methods of Analysis, Investment Strategies and Risk of Loss**

##### **1. Asset Classes**

A description of asset classes used in the Lockwood Proprietary Products is provided below. It is important to remember that there are risks inherent in any investment, including the loss of principal, which you should be prepared to bear. There is no assurance that any asset class or index, or a diversified mix of assets will provide positive performance over time. Asset classes and/or other investment strategies not included in the Products may exhibit similar or superior

characteristics and performance than those that are included. The risks associated with certain investment vehicles, which may be used in the Products are described in Exhibit B.

*a. Fixed Income Securities*

*U.S. short-term fixed income:* Seeks to provide a more conservative duration positioning relative to the broad U.S. fixed income market.

*U.S. inflation-protected securities:* Seeks to provide exposure to U.S. Treasury Inflation-Protected Securities (TIPS). This allocation is intended to provide a hedge against U.S. inflation.

*U.S. intermediate-term fixed income:* Seeks to provide exposure to intermediate-term government, corporate and mortgage- and asset-backed fixed income securities. This allocation is intended to provide diversification of income through a broad exposure to the U.S. fixed income universe.

*U.S. long-term fixed income:* Seeks to provide exposure to long-term government and corporate fixed income securities. This allocation is intended to capture incremental yield due to a term premium.

*U.S. high-yield fixed income:* Seeks to provide exposure to U.S. high-yield or non-investment-grade fixed income. This allocation is intended to generate income through investments in U.S. high-yield bonds, while also serving as a substitute for U.S. small-cap equities.

*Global/international fixed income:* Seeks to provide exposure to and diversification through non-U.S. yield curves and currencies.

*U.S. Bank Loans:* Seeks to provide exposure to privately structured senior-secured corporate debt obligations with adjustable interest rates. This allocation is intended to generate incremental yield, hedge against rising U.S. interest rates and provide selective credit opportunities.

*Opportunistic Bond:* Seeks to provide exposure to active managers focused on less tradition segments of fixed income markets, generally in a less constrained manner. This allocation is intended to provide diversification of income through a broad exposure to the U.S. fixed income universe.

*b. Equity Securities*

*U.S. large-cap equity:* Seeks to provide exposure to the equities of U.S. large capitalization companies. This allocation focuses on investments that seek to generate income through investing primarily in U.S. companies that have historically provided above average dividend yields.

*International equity:* Seeks to provide exposure to the equities of non-U.S. developed market companies. This allocation focuses on investments that seek to generate income through investing primarily in non-U.S. companies that have historically provided above-average dividend yields.

*U.S. mid-cap equity:* Seeks to provide exposure to the equities of U.S. mid-capitalization companies. This allocation is used for its above-average long-term cumulative risk/return potential.

*U.S. small-cap equity:* Seeks to provide exposure to the equities of U.S. small capitalization companies. This allocation is used for its above-average long-term cumulative risk/return potential.

*U.S. micro-cap equity:* Seeks to provide exposure to the equities of U.S. micro capitalization companies. This allocation is used for its above-average, long-term cumulative risk/return potential.

*International small-cap equity:* Seeks to provide exposure to the equities of non-U.S. developed market small-cap companies. This allocation is intended to provide long-term capital appreciation, as well as diversification through investments in companies outside of the United States.

*Emerging markets:* Seeks to provide exposure to the equities of non-U.S. emerging markets companies. This allocation is used for its above-average long-term cumulative risk/return potential.

*Global thematic:* Seeks to provide exposure to equities of global companies that concentrate on specific themes. This allocation seeks to take advantage of investment opportunities as a result of macro-economic developments.

*Real Estate Investment Trusts (“REITs”):* Lockwood may have an allocation to REITs and if so, it generally employs a passive approach in its allocation to REITs. The asset class is represented by the NAREIT-Equity Index, which has had a low correlation to the stock and bond markets. Lockwood may make an allocation to REITs in an effort to lessen overall portfolio volatility and provide income via its dividend yield.

*Commodities:* Seeks to provide exposure to commodities, including agricultural, energy and metals. This allocation is used to provide diversification, as well as a potential hedge against future inflation.

*Global defensive sectors:* Seeks to provide exposure to U.S. and non-U.S. economic sectors. Sector allocations may be used for the defensive nature of certain economic sectors, such as Health Care and Utilities. These sectors, at times, have historically experienced lower declines than the overall market. This allocation may include vehicles that invest in U.S. companies, as well as abroad.

*Alternative investments:* Seeks to provide exposure to investments used primarily for their low correlation to more traditional equity and fixed income asset classes, and thus seeks to reduce overall volatility. The underlying holdings may include managed futures, currency carry, merger

arbitrage, convertible arbitrage, long /short equity, fixed income and commodities, and multi-strategy funds.

*Preferred securities:* Seeks to provide exposure to investments that have higher income potential compared to fixed income sectors. The allocation may also be used to provide diversification due to the historically low correlation to other bond and stock asset classes.

*Gold bullion:* Seeks to provide exposure to gold bullion via an ETF. Lockwood believes that gold has the potential to improve risk-adjusted returns as a strategic position in portfolios. Historically, gold has tended to fare relatively well in inflationary markets and has often provided a “haven” in turbulent times. We also believe that gold has the potential to act as a portfolio buffer when geopolitical risks escalate.

## 2. Lockwood AdvisorFlex Portfolios

The AFP product includes three, objectives-based strategies (Appreciation, Income and Preservation), with multiple Models within each strategy, as described below. A list of each asset class used in one or more of each of the Models is provided below.

### *a. Appreciation Strategy*

Lockwood designed the Appreciation Strategy to seek to provide:

- a long-term level of returns associated with equity and fixed income asset classes; and
- above average, risk-adjusted levels of appreciation.

There are six (6) Appreciation Strategy models, each representing various levels of expected risk and return. Model I is the most conservative model and Model VI is the most aggressive. In each underlying Appreciation Strategy model, Lockwood seeks to achieve its objective through tilts toward asset classes with above-average cumulative return potential, as well as asset classes that pay a premium to investors with a long-term time horizon.

The six (6) Appreciation Strategy models hold investment vehicles, including mutual funds, ETFs and/or ETNs, which offer exposure to broad asset classes, such as stocks and bonds. Each asset class is intended to contribute to the overall investment objective of the respective models. The taxable portfolios contain municipal bond funds in the fixed income asset classes.

Although Lockwood designed the Appreciation Strategy to seek to provide risk-adjusted levels of appreciation, there is no guarantee that the value of your investment will appreciate.

The asset mix of the respective models may include exposure to:

- U.S. short-term fixed income
- U.S. inflation-protected securities
- U.S. intermediate-term fixed income

- U.S. long-term fixed income
- Global/international fixed income
- Opportunistic bond
- U.S. bank loans
- U.S. large-cap equity
- U.S. mid-cap equity
- U.S. small-cap equity
- U.S. micro-cap equity
- International equity
- International small-cap equity
- Emerging markets equity
- Global thematic
- Alternative investments
- Gold bullion
- Commodities
- REITs

*b. Income Strategy*

Lockwood designed the Income Strategy to seek to provide:

- a risk-managed, diversified portfolio; and
- select opportunities for above-average level of yield.

There are five (5) Income Strategy models, each representing various levels of expected risk and return. Model I is the most conservative and Model V is the most aggressive. In each underlying Income Strategy model, Lockwood seeks to achieve its objective through exposure to some or all of the following: dividend paying stocks, real estate investment trusts, master limited partnerships, closed-end funds, and preferred securities.

The five (5) Income Strategy models hold investment vehicles, including mutual funds, ETFs and/or ETNs, which offer exposure to broad asset classes, such as stocks and bonds. Each asset class is intended to contribute to the overall investment objective of the respective models. The taxable portfolios include municipal bond funds in the fixed income asset classes.

Although Lockwood designed the Income Strategy to seek to provide an above-average level of yield, there is no guarantee that income will be consistently generated from your investment.

The asset mix of the respective models may include exposure to:

- U.S. short-term fixed income
- U.S. inflation-protected securities
- U.S. intermediate-term fixed income
- U.S. long-term fixed income
- U.S. high-yield fixed income
- Global/international fixed income



- U.S. bank loans
- Opportunistic bond
- U.S. large-cap equity
- International equity
- REITs
- Preferred securities

*c. Preservation Strategy*

Lockwood designed the Preservation Strategy to seek to provide:

- a long-term level of returns typically associated with equity and fixed income asset classes;
- a degree of downside risk management; and
- a similar level of long-term volatility, when compared to standard capitalization-weighted indices.

There are five (5) Preservation Strategy Models, representing various levels of expected risk and return. Model I is the most conservative and Model V is the most aggressive. In each underlying Preservation Strategy model, Lockwood seeks to achieve its objective through tilts toward non-cyclical economic sectors, higher quality securities, and alternative strategies that may alter risk characteristics of the portfolio.

The five (5) Preservation Strategy models hold investment vehicles, including mutual funds, ETFs and/or ETNs, which offer exposure to broad asset classes, such as stocks and bonds. Each asset class is intended to contribute to the overall investment objective of the respective models. The taxable portfolios include municipal bond funds in the fixed income asset classes.

Although Lockwood designed the Preservation Strategy to seek to provide a level of downside risk management, there is no guarantee that the value of your investment will be preserved.

The asset mix of the respective models may include exposure to:

- U.S. short-term fixed income
- U.S. intermediate-term fixed income
- U.S. long-term fixed income
- U.S. inflation-protected securities
- Global/international fixed income
- U.S. bank loans
- U.S. large-cap equity
- U.S. mid-cap equity
- International equity
- Emerging markets equity
- Global defensive sectors
- Alternative investments
- Gold bullion

- Commodities

Lockwood designed the Models to seek to align with the different phases of the investor life cycle, from wealth accumulation, to transition into retirement and, ultimately, the management and distribution of income. Each of the Models contains specific investment selections. Disclosures relating to the specific investment selections are contained in Exhibit A and you should review them in detail. You and your Consultant are responsible for selecting the appropriate Model for you.

After account opening, you or your Consultant may determine to move up or down one Model level from the originally selected Model, in your and your Consultant's sole discretion.

For each investment selection within a Model, Lockwood identifies several options from which you and your Consultant may choose. Within each Model, there will be primary investment selections ("Primary Selections") and alternate investment selections ("Alternate Selections") from which you and your Consultant may choose.

Lockwood will implement certain updates and changes to the Models ("Model Updates") throughout the life of your AFP account. You have given Lockwood the limited discretion to make trades in your account for Model Updates. You and your Consultant are responsible for reviewing all such Model Updates. When Lockwood performs a Model Update, Lockwood may replace one investment vehicle with another and/or change the asset allocation of the Model.

At any time and in Lockwood's sole discretion, Lockwood may reclassify a Primary Selection as an Alternate Selection. Accounts with certain Firms may choose to designate the Lockwood default Model during account opening. For these accounts that have designated the default Model at account opening, when Lockwood reclassifies a Primary Selection as an Alternate Selection, the accounts holding the existing Primary Selection will be traded into the new Primary Selection. Other accounts holding the existing Primary Selection may keep the existing selection or decide to change to the new Primary Selection. In each instance, Lockwood will notify your Consultant. In the event that a Primary Selection is eliminated from a Model altogether, all accounts in the Model will default to the new Primary Selection. In the event that Lockwood removes one of the Alternate Selections, affected accounts will default to either the Primary Selection or another, available Alternate Selection, as determined by Lockwood.

If you select both Primary Selections and Alternate Selections to complete a Model, the mixture of Primary Selections and Alternate Selections may result in changes to the weightings within an asset allocation.

Certain asset classes may contain only Primary Selections. Alternate Selections will not be made available in those cases, in Lockwood's sole discretion.

You may grant limited discretion to your Consultant to make changes to Primary Selections and Alternate Selections in your AFP account and to make other decisions relating to the AFP account on your behalf. Please refer to your agreement with your Firm and/or Consultant for more information regarding the discretion you grant to your Consultant.

### 3. Lockwood WealthStart Portfolios

WealthStart is a discretionary mutual fund and ETF wrap account product contained in a single portfolio. Lockwood, serving as the portfolio manager, allocates investor assets systematically across multiple asset classes and styles using mutual funds and/or ETFs. Lockwood determines the asset allocation strategy and selects investment vehicles for each investment style in the portfolio, based upon proprietary modeling strategies, economic outlook and investment research discipline. Lockwood uses the same analysis described above to evaluate vehicles for use in WealthStart.

Lockwood offers twelve (12) WealthStart diversified, discretionary investment portfolios that generally include allocations to traditional asset classes. Model I is the most conservative model, with the majority of the model allocated to fixed income and the balance to equities; Model VI is the most aggressive model, with an allocation focused on equities.

Lockwood may invest in the following asset classes, or others as it deems appropriate, in its sole discretion:

- U.S. short-term fixed income
- U.S. inflation-protected securities
- U.S. intermediate-term fixed income
- U.S. long-term fixed income
- Global/international fixed income
- U.S. bank loans
- Opportunistic bond
- U.S. large-cap equity
- U.S. mid-cap equity
- U.S. small-cap equity
- Global/international equity
- International small-cap equity
- Emerging markets equity
- Global thematic
- Gold bullion
- Commodities
- REITs

The twelve (12) WealthStart model portfolios are:

Model I: Current Income

Tax Aware Model I: Current Income

Model II: Growth & Income

Tax Aware Model II: Growth & Income

Model III: Conservative  
Growth

Tax Aware Model III: Conservative  
Growth

Model IV: Moderate Growth

Tax Aware Model IV: Moderate Growth

Model V: Growth

Tax Aware Model V: Growth

Model VI: Aggressive Growth

Tax Aware Model VI: Aggressive Growth

The tax aware portfolios include municipal bond funds in the fixed income asset classes.

At the time of this Brochure, the WealthStart portfolios consist solely of ETFs. However, these portfolios may include open and closed end mutual funds, ETFs and other types of securities, as determined by Lockwood, in its sole discretion.

#### 4. Lockwood Asset Allocation Portfolios

LAAP is a discretionary, multi-discipline mutual fund and ETF wrap account product contained in a single portfolio. Lockwood, serving as the portfolio manager, determines the asset allocation strategy and selects investment vehicles in the portfolio, based upon proprietary modeling strategies, economic outlook and investment research discipline. Lockwood uses the same analysis described above to evaluate vehicles for use in LAAP.

Lockwood offers 10 LAAP diversified, discretionary investment portfolios that generally include allocations to traditional asset classes. Model I is the most conservative model, with the majority of the model allocated to fixed income and the balance to equities; Model VI is the most aggressive model, with an allocation focused on equities.

Lockwood may invest in the following asset classes, or others as it deems appropriate, in its sole discretion:

- U.S. short-term fixed income
- U.S. inflation-protected securities
- U.S. intermediate-term fixed income
- U.S. long-term fixed income
- Global/international fixed income
- U.S. bank loans
- Opportunistic bond
- U.S. large-cap equity
- U.S. mid-cap equity
- U.S. small-cap equity
- International equity
- International small-cap equity
- Emerging markets equity
- Global thematic

- Gold bullion
- Commodities
- REITs

The 10 LAAP models are:

Model I: Current Income

Tax Aware Model I: Current Income

Model II: Growth & Income

Tax Aware Model II: Growth & Income

Model III: Conservative Growth  
Growth

Tax Aware Model III: Conservative

Model IV: Moderate Growth

Tax Aware Model IV: Moderate Growth

Model V: Growth

Model VI: U.S. Aggressive Equity: Aggressive Growth

The tax aware models include municipal bond funds in the fixed income asset classes.

These models may include open and closed end mutual funds, ETFs and other types of securities, as determined by Lockwood, in its sole discretion.

## 5. Lockwood/American Funds Core Portfolios

Lockwood/American Funds Core Portfolios is a discretionary mutual fund and ETF wrap account product contained in a single portfolio. Lockwood, serving as the portfolio manager, allocates investor assets systematically across multiple asset classes and styles using American Funds mutual funds and other select ETFs in a single account. Lockwood determines the asset allocation strategy and selects investment vehicles for each investment style in the portfolio, based upon proprietary modeling strategies, economic outlook and investment research discipline. Lockwood is solely responsible for the fund selection and construction of the Lockwood/American Funds Core Portfolios and neither American Funds Distributors, Inc. nor its affiliates are involved in such activities, nor do American Funds Distributors, Inc. or its affiliates serve as investment adviser to Client accounts. Lockwood uses the same analysis described above to evaluate vehicles for use in the Lockwood/American Funds Core Portfolios.

Lockwood may invest in the following asset classes, or others as it deems appropriate, in its sole discretion:

- U.S. short-term fixed income
- U.S. inflation-protected securities
- U.S. intermediate-term fixed income

- Global/international fixed income
- U.S. bank loans
- Opportunistic bond
- Balanced (fixed income and equity contained in a single fund)
- U.S. large-cap equity
- U.S. mid-cap equity
- U.S. small-cap equity
- Global/international equity
- International small-cap equity
- Emerging markets equity
- Global thematic
- Gold bullion
- REITs

The three (3) Lockwood/American Funds Core Portfolios models are:

- Conservative Growth
- Balanced
- Appreciation

#### 6. Lockwood Low Balance Portfolios

Lockwood Low Balance Portfolios is a discretionary mutual fund wrap account product with a \$1,000 minimum account size. Lockwood, serving as the portfolio manager, allocates investor assets systematically across multiple asset classes and styles using mutual funds in a single account. Lockwood determines the asset allocation strategy and selects investment vehicles for each investment style in the model, based upon proprietary modeling strategies, economic outlook and investment research discipline. Lockwood uses the same analysis described above to evaluate vehicles for use in Lockwood Low Balance Portfolios.

Lockwood offers six (6) Lockwood Low Balance Portfolios models that generally include allocations to traditional asset classes. Income is the most conservative model, with the majority of the model allocated to fixed income and the balance to equities; Growth is the most aggressive model, with an allocation focused on equities.

Lockwood may invest in the following asset classes, or others as it deems appropriate, in its sole discretion:

- U.S. short-term fixed income
- U.S. intermediate-term fixed income
- U.S. long-term fixed income
- U.S. inflation-protected securities
- U.S. high-yield fixed income
- Global/international fixed income
- U.S. large-cap equity

- U.S. mid-cap equity
- U.S. small-cap equity
- International equity
- International small-cap equity
- Emerging markets equity

The six (6) Lockwood Low Balance Portfolios models are:

- Income
- Income & Growth
- Balanced
- Conservative Growth
- Moderate Growth
- Growth

At the time of this Brochure, Lockwood Low Balance Portfolios consist solely of mutual funds. However, these models may include open and closed end mutual funds, ETFs and other types of securities, as determined by Lockwood, in its sole discretion.

#### 7. Lockwood ESG ETF Portfolios

Lockwood ESG ETF Portfolios is a discretionary ETF wrap account product that focuses on responsible investing (i.e., ESG [environmental, social, and corporate governance] and/or SRI [socially responsible investing]). Lockwood, serving as the portfolio manager, allocates investor assets systematically across multiple asset classes and styles using ETFs in a single account. Lockwood determines the asset allocation strategy and selects investment vehicles for each investment style in the model, based upon proprietary modeling strategies, economic outlook and investment research discipline.

As a firm, Lockwood defines responsible investing strategies as those that incorporate ESG considerations in pursuit of a responsible investing objective. Typical responsible investing objectives include impact, values-expression, return enhancement and risk mitigation, and a strategy may pursue one or more responsible investing objectives simultaneously.

With respect to ETFs, Lockwood, itself or through the Manager Research Group, uses a comparable screening process where the factors considered include, but are not limited to, the tracked index or benchmark, performance, comparables, personnel, content and the responsible investing (RI) focus of the particular ETF, as well as an assessment of the ETF's RI objective and implementation of the RI objective. Lockwood may take into consideration sustainable investing ratings and assessments provided by Morningstar Inc. when reviewing an ETF's RI investment approach.

Lockwood offers six (6) Lockwood ESG ETF Portfolios models that generally include allocations to traditional asset classes. Income is the most conservative model, with the majority

of the model allocated to fixed income and the balance to equities; Growth is the most aggressive model, with an allocation focused on equities.

Lockwood may invest in the following asset classes, or others as it deems appropriate, in its sole discretion. The securities used in the Lockwood ESG ETF Portfolios are subject to change at Lockwood's sole discretion.

- U.S. short-term fixed income
- U.S. intermediate-term fixed income
- U.S. long-term fixed income
- U.S. high-yield fixed income
- U.S. green bond fixed income
- Global/international fixed income
- U.S. large-cap equity
- U.S. mid-cap equity
- U.S. small-cap equity
- International equity
- International small-cap equity
- Emerging markets equity

The six (6) Lockwood ESG ETF Portfolios models are:

- Income
- Income & Growth
- Balanced
- Conservative Growth
- Moderate Growth
- Growth

## 8. Third Party Model Providers

Lockwood provides access to Models created by Third Party Model Providers. Lockwood performs due diligence on various Third Party Model Providers and contracts with those Third Party Model Providers to provide the Models for the Third Party Model Providers product. Lockwood continues to monitor contracted Third Party Model Providers and the Models on an on-going basis. Lockwood makes information about the Third Party Model Providers and the Models available to your Consultant.

Lockwood has assembled a series of Models from Third Party Model Providers, listed in Exhibit A, comprised of different asset classes. Because each Model consists of a unique asset class mix, each Model has a distinctive risk profile associated with it. Your assets are invested in accordance with the investment objective and level of risk you and your Consultant determine suits your risk tolerance and financial objectives. If you have selected a Third Party Model



Provider Model, your account is invested in a combination of some or all of the following investment products, pursuant to the Model you have selected:

- ETFs
- Mutual funds
- Equity securities

For more information regarding the risks associated with some of these investment products, see section D.1 of this Item 8.

Third Party Model Providers design each Model for a certain level of risk tolerance and investment objective and select mutual funds, ETFs, and/or equity securities that it believes are appropriate for each Model.

Lockwood is granted limited discretionary trading authority with respect to assets in your Third Party Model Providers Model account(s). Either you or your Consultant retains final authority for the Third Party Model Providers and Model selections. Pursuant to its discretionary trading authority, Lockwood will invest the assets in your account according to the Model you have selected. Lockwood will also periodically buy and sell securities in your account so that the assets you own are in line with the Model without receiving prior approval from you. This process is known as “rebalancing.” Asset allocations will differ depending on the Model you have selected.

Once a particular Third Party Model Provider notifies Lockwood of a change to a Model, Lockwood will make corresponding changes to your account. Lockwood reserves the right to not accept a particular change to a Model. For example, if a security is subject to a reasonable restriction you imposed, Lockwood will not purchase that security for your account.

When a Third Party Model Provider makes a change to a Model, the Third Party Model Provider may notify Lockwood after the Third Party Model Provider has bought and sold securities in its other clients’ accounts. As a result of the timing of Model change notifications and Lockwood’s processes, Third Party Model Providers may effect trades on behalf of their other clients’ accounts before Lockwood effects corresponding trades in your account. Therefore, in connection with Model changes, due to the potential for the markets to react to the trades effected by a Third Party Model Provider, you may be at a disadvantage when compared to the Third Party Model Provider’s other clients with respect to the timing of the trades.

Third Party Model Providers do not receive information regarding your identity, circumstances, financial condition, portfolio holdings, tax situation, regulatory status or financial needs or goals. Third Party Model Providers have no obligation for the provision of advice specifically to you, are not responsible for determining the appropriateness or suitability of a Model, or of any of the securities included from time to time in a Model, for you specifically. Notwithstanding the foregoing, you and your Consultant may wish to review each Third Party Model Provider’s ADV Part 2A or alternative disclosure document for more information regarding a Third Party Model Provider and/or its Model(s).

#### **E. Lockwood Overlay Services for Command Sponsor's UMA Programs.**

In Command, Lockwood may provide overlay services with respect to a Sponsor's UMA program ("Command Sponsor UMA Program"). A sponsor's Command Sponsor UMA Program is described in their Wrap Fee Brochure. If you have selected a Command Sponsor UMA Program, your assets are invested in accordance with the investment objective and level of risk you and your Consultant determine suits your risk tolerance and financial objectives. Your Command Sponsor UMA Program account is invested in a combination of some or all of the following investment products: model portfolios designed, reviewed and updated by one or more UMA Model Providers ("UMA Models"), ETFs, mutual funds, or other securities. In addition, upon request by a Sponsor, Lockwood may agree to make available Models from Third Party Model Providers (as described above) or other Products managed by Lockwood as UMA Model options within a Command Sponsor UMA Program. **Either you or your Consultant and/or the Sponsor retains final authority for the selection of individual UMA Models, ETFs, mutual funds, or other securities for your account.**

Each Sponsor, and not Lockwood, determines the UMA Models, ETFs, mutual funds, or other securities included in their Command Sponsor UMA Program and, therefore, the investment choices will differ by Sponsor. In doing so, the Sponsor is not relying on Lockwood's expertise, due diligence or other research with respect to the evaluation and selection of UMA Models, ETFs, mutual funds, or other securities included in its Command Sponsor UMA Program. Your Consultant is responsible for recommending UMA Models, ETFs, mutual funds, or other securities from those made available by the Sponsor.

Lockwood is granted limited discretionary trading authority with respect to assets in your Command Sponsor UMA Program account which includes the authority to allocate assets across the selected UMA Models, ETFs, mutual funds and other securities; to implement in its discretion model changes received from Model Providers; and to rebalance the account in accordance with target allocations and program trading parameters established by the Sponsor. Lockwood will allocate assets across the investments available in the Command Sponsor UMA Program, in a manner consistent with Sponsor's instruction, without regard to Lockwood's own assessment of the Model Providers, UMA Models, ETFs, mutual funds or other securities in other contexts or circumstances where Lockwood has the authority to recommend or select such Model Providers, UMA Models, ETFs, mutual funds or other securities. Lockwood may be in possession of confidential, nonpublic or other information concerning such investment options which it has no obligation to share with Sponsor or any Client. **No asset allocation to a particular UMA Model Provider, UMA Model, ETF, mutual fund or other security should be considered an approval or endorsement by Lockwood of such UMA Model Provider, UMA Model, ETF, mutual fund or other security. Either you or your Consultant and/or the Sponsor retains final authority for the asset allocation decisions and the selection of individual investment choices to fill the selected asset allocation.**

Lockwood retains the authority to terminate or change UMA Model Providers or UMA Models in its discretion. Assets from a terminated UMA Model may be automatically reallocated to the other investments currently held within the Command Sponsor UMA Program account in accordance with the account's asset allocation. Additionally, Lockwood may, in its discretion, at any time remove an ETF, mutual fund or other security from the list of available ETFs, mutual

funds and securities. Proceeds from the removed ETF, mutual fund or other security may be allocated to cash unless Lockwood is otherwise directed by your Consultant. This replacement process will be subject to the usual and customary settlement procedures and may have tax consequences. Lockwood notifies the applicable Sponsors and Consultants about the termination and replacement of UMA Model Providers, UMA Models, ETFs, mutual funds and other securities, and the Consultants, in turn, are responsible for advising you about these changes to the Program.

Some of the investment strategies for the Command Sponsor UMA Program may include investment directly in securities which Lockwood buys and sells based on model portfolios provided by UMA Model Providers. When a UMA Model Provider makes model portfolio changes, the UMA Model Provider may notify Lockwood after the UMA Model Provider has bought and sold securities in its other clients' accounts. Once a particular UMA Model Provider notifies Lockwood of model portfolio changes, Lockwood may make corresponding changes to your account. Lockwood reserves the right to not accept a particular UMA Model Provider recommendation. For example, if a security is subject to a reasonable restriction you imposed, Lockwood will not purchase that security for your account. As a result of the timing of model change notifications and Lockwood's processes, however, UMA Model Providers may effect trades on behalf of their other clients' accounts before Lockwood effects corresponding trades in Command Sponsor UMA Program accounts. Therefore, in connection with UMA Model changes, due to the potential for the markets to react to the trades effected by the UMA Model Providers, you may be at a disadvantage when compared to the UMA Model Providers' other clients with respect to the timing of the trades.

UMA Model Providers do not receive information regarding your identity, circumstances, financial condition, portfolio holdings, tax situation, regulatory status or financial needs or goals. UMA Model Providers have no obligation for the provision of advice specifically to you, are not responsible for determining the appropriateness or suitability of a UMA Model, or of any of the securities included from time to time in a UMA Model, for you specifically. Notwithstanding the foregoing, you and your Consultant may wish to review each UMA Model Provider's ADV Part 2A or alternative disclosure document for more information regarding a UMA Model Provider and/or its UMA Model(s).

Information about the risks associated with specific investment selections are contained in Exhibit B and you should review them in detail. It is important to remember that there are risks inherent in any investment, including the loss of principal, which you must be prepared to bear. There is no assurance that any asset class or index, or a diversified mix of assets will provide positive performance over time. Asset classes and/or other investment strategies not included in a Command Sponsor UMA Program may exhibit similar or superior characteristics and performance than those that are included.

#### **F. Lockwood Portfolio Manager Services for Command Sponsor's Model Based SMA Programs.**

Lockwood may provide portfolio manager services with respect to a Command Sponsor Model Based SMA Program as noted above. Each Sponsor's wrap fee brochure describes their Command Sponsor Model Based SMA Program in more detail. If you have selected a Command

Sponsor Model Based SMA Program, your assets are invested in accordance with the designated model portfolio (a “SMA Model”) selected by you and your Consultant based on your risk tolerance and financial objectives. Your Consultant is responsible for recommending SMA Models from those made available by the Sponsor. **Either you or your Consultant and/or the Sponsor retains final authority for the selection of individual SMA Models for your account.**

Each Sponsor, and not Lockwood, determines the SMA Models available in their program and, therefore, the investment choices may differ by Sponsor. In doing so, the Sponsor is not relying on Lockwood’s expertise or due diligence with respect to the evaluation and selection of SMA Models. Lockwood may be in possession of confidential, nonpublic or other information concerning such investment options which it has no obligation to share with Sponsor or any client.

Lockwood is granted limited discretionary trading authority with respect to assets in your Command Sponsor Model Based SMA Program account which includes the authority to implement in its discretion SMA Model changes received from SMA Model Providers and to rebalance the account in accordance with target allocations and program trading parameters established by the Sponsor. **No asset allocation to a particular SMA Model Provider, SMA Model, ETF, mutual fund or other security should be considered an approval or endorsement by Lockwood of such SMA Model Provider, SMA Model, ETF, mutual fund or other security. Either you or your Consultant and/or the Sponsor retains final authority for the asset allocation decisions and the selection of individual investment choices to fill the selected asset allocation.**

Lockwood retains the authority to terminate or change SMA Model Providers or SMA Models in its discretion. Lockwood notifies the applicable Sponsors and Consultants about the termination and replacement of SMA Model Providers or SMA Models, and the Consultants, in turn, are responsible for advising you about these changes to the Program.

Some of the investment strategies for the Command Sponsor Model Based SMA Program may include investment directly in securities which Lockwood buys and sells based on SMA Models provided by SMA Model Providers. When an SMA Model Provider changes an SMA Model, the SMA Model Provider may notify Lockwood after the SMA Model Provider has bought and sold securities in its other clients’ accounts. Once a particular SMA Model Provider notifies Lockwood of SMA Model changes, Lockwood may make corresponding changes to your account. Lockwood reserves the right to not accept a particular SMA Model Provider recommendation. For example, if a security is subject to a reasonable restriction you imposed, Lockwood will not purchase that security for your account. As a result of the timing of model change notifications and Lockwood’s processes, however, SMA Model Providers may effect trades on behalf of their other clients’ accounts before Lockwood effects corresponding trades in Command Sponsor Model Based SMA Program accounts. Therefore, in connection with SMA Model changes, due to the potential for the markets to react to the trades effected by the SMA Model Providers, you may be at a disadvantage when compared to SMA Model Providers’ other clients with respect to the timing of the trades.

SMA Model Providers do not receive information regarding your identity, circumstances, financial condition, portfolio holdings, tax situation, regulatory status or financial needs or goals. SMA Model Providers have no obligation for the provision of advice specifically to you, are not responsible for determining the appropriateness or suitability of an SMA Model, or of any of the securities included from time to time in an SMA Model, for you specifically. Notwithstanding the foregoing, you and your Consultant may wish to review each SMA Model Provider's ADV Part 2A or alternative disclosure document for more information regarding an SMA Model Provider and/or its SMA Model(s).

Information about the risks associated with specific investment selections are contained in Exhibit B and you should review them in detail. It is important to remember that there are risks inherent in any investment, including the loss of principal, which you must be prepared to bear. There is no assurance that any asset class or index, or a diversified mix of assets will provide positive performance over time. Asset classes and/or other investment strategies not included in a Command Sponsor Model Based SMA Program may exhibit similar or superior characteristics and performance than those that are included.

#### **G. Composite Performance - LAAP, AFP, WealthStart, LAFCP, LLBP and LESG**

For LAAP, AFP, WealthStart, LAFCP, LLBP and LESG, the inception of a published Lockwood composite begins when five accounts have been managed in that style for a one-month time period. Each composite includes fee-paying and non-fee-paying, discretionary accounts. Lockwood generally includes actual, fee-paying and non-fee paying discretionary accounts in at least one composite, but excludes those where fewer than five accounts exist in a particular manager/style. Terminated accounts are permanently included in all monthly composites in which they were previously active for the entire month. They are excluded in the month in which they terminate. All returns through December 31, 2017 were calculated using the Modified Dietz method. All returns thereafter are calculated using a daily time weighted rate of return. Lockwood calculates performance on a total return basis, which includes realized gains, unrealized gains, and interest and dividend income. Cash is included in the calculation. Accrual accounting is used to recognize interest and dividend income. Cash flows are accounted for by the date they are received. Lockwood annualizes returns for periods greater than one year.

Composite returns (gross of fees) represent historical gross performance with no deduction for advisory fees (which include program fees, consultant fees and other applicable fees); assumes reinvestment of dividends, capital gains and any other earnings; and is net of transaction costs. Individual client returns will be reduced by the advisory fee and any other fees and/or expenses incurred in the management of a client's account. Returns for periods longer than one year are annualized.

Composite returns (net of fees) reflect the deduction of applicable advisory fees and transaction costs, and assume the reinvestment of dividends, income and any other earnings. Applicable advisory fees are based upon actual advisory fees deducted from each account in the composite. Returns for periods longer than one year are annualized.

## **H. Performance Third Party Model Providers**

Lockwood does not calculate performance of the Third Party Model Provider Models.

## **I. Cybersecurity Risk**

In addition to the risks described above and in Exhibit B that primarily relate to the value of investments, there are various operational, systems, information security and related risks involved in investing, including but not limited to “cybersecurity” risk. Cybersecurity attacks include electronic and non-electronic attacks that include but are not limited to gaining unauthorized access to digital systems to obtain client and financial information, compromising the integrity of systems and client data (e.g., misappropriation of assets or sensitive information), or causing operational disruption through taking systems off-line (e.g., denial of service attacks). As the use of technology has become more prevalent, Lockwood and the client accounts Lockwood manages have become potentially more susceptible to operational risks through cybersecurity attacks. These attacks in turn could cause Lockwood and client accounts Lockwood manages to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Similar adverse consequences could result from cybersecurity incidents affecting issuers of securities in which Lockwood invests, counterparties with which Lockwood engages in transactions, third party service providers, governmental or other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. While cybersecurity risk management systems and business continuity plans have been developed and are designed to reduce risks associated with these attacks, there are inherent limitations in any cybersecurity risk management system or business continuity plan, including the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such efforts will succeed, especially since we do not directly control the cybersecurity systems of issuers or third party service providers.

## **Item 9 Disciplinary Information**

From time to time, Lockwood, BNY Mellon or an affiliate of BNY Mellon may be involved in regulatory examinations or litigation that arise in the ordinary course of business. Items requiring disclosure will be disclosed accordingly in Lockwood’s Form ADV Part 1A, Item 11 and the respective Disclosure Reporting Pages (“DRPs”), and Item 9 of this Brochure (below).

On August 14, 2018 the SEC announced an administrative proceeding against Lockwood. The action arose out of the SEC’s assertion that Lockwood failed to adopt and implement policies and procedures reasonably designed to provide clients or their investment advisers with material information about third party portfolio managers’ “trading away” or “step out trading” practices in Lockwood’s sponsored separately managed account wrap fee programs (“Wrap Programs”) and the full extent of the costs of choosing certain portfolio managers in those Wrap Programs. Specifically, the SEC determined that Lockwood’s policies and procedures failed to require that material information about “trading away” or “step outs” (1) would be obtained and considered by Lockwood prior to making the third party portfolio management firms available to clients in its Wrap Programs and/or (2) would be disclosed to clients directly or through their third party advisers. Lockwood offered its Wrap Programs to third party advisers and their clients. In the

Wrap Programs, the investments were managed by third party portfolio management firms pursuant to investment strategies selected by the clients in consultation with their advisers. Lockwood and the other participating firms were compensated for the advisory, brokerage and custodial services that they provided by sharing an annual wrap fee based on a percentage of the assets under management. Certain expenses were not covered by the wrap fee, such as when a portfolio manager elected to direct the execution of a trade through a broker-dealer firm that was not participating in the Wrap Program. This practice was referred to as “trading away” or “step out trading” and in many cases resulted in transaction costs being borne by the Wrap Program client in addition to the annual wrap fee. Despite paying these costs, Wrap Program clients were not notified that particular trades were “traded away” nor, if applicable, information on how much “step out trading” would cost on top of the wrap fee. By contract, Lockwood had allocated to the clients’ advisers the responsibility of evaluating the suitability of the portfolio managers for the individual clients, but the SEC Staff found that Lockwood did not provide those advisers with enough information to perform that evaluation. Lockwood submitted an Offer of Settlement which the SEC has determined to accept on August 14, 2018.

On February 12, 2018 the SEC announced the Share Class Selection Disclosure Initiative (“SCSD Initiative”), a self-reporting initiative directed at investment advisers, under which the SEC Division of Enforcement agreed to recommend favorable settlement terms for advisers who self-report violations of the federal securities laws relating to certain mutual fund share class selection and disclosure issues and who promptly return money to harmed clients. Lockwood voluntarily participated in the SCSD Initiative. In connection with the SCSD Initiative, Lockwood undertook a review of its disclosures, and of the mutual fund share classes recommended to, or purchased or held by, clients invested in Lockwood Programs during the period between January 1, 2014 and September 4, 2015 and determined that, during this period, certain mutual funds paid 12(b)1 fees totaling \$45,872 to Pershing Adviser Solutions, a broker-dealer affiliated with Lockwood, when a lower cost share class was available. Lockwood voluntarily reported this to the SEC pursuant to the SCSD Initiative. On March 11, 2019, the SEC issued an Order Instituting Administrative and Cease and Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease and Desist Order against Lockwood (the “Order”), which Order found that Lockwood violated Sections 206(2) and 207 of the Investment Advisers Act of 1940 (“Advisers Act”). Lockwood was ordered to cease and desist from future violations of Sections 206(2) and 207 of the Advisers Act; was censured; and was ordered to pay disgorgement of \$45,872, together with prejudgment interest of \$6,315.98, and to distribute such amounts to affected clients.

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

### **A. Other Financial Industry Activities**

Lockwood does not engage in any other business other than that of an investment manager, research provider, model provider, Sponsor or administrator for managed account programs. Some of Lockwood's personnel may have securities registrations, including, but not limited to FINRA series 7 or series 24, which are held with Lockwood's affiliate, Pershing.

## **B. Financial Industry Affiliations**

### **Affiliated Broker-Dealers and Investment Advisers**

Lockwood is affiliated with a large number of investment advisers and broker-dealers within the BNY Mellon family of companies. Please see Lockwood's Form ADV, Part 1A-Schedule D, Section 7.A. for a list of investment advisers and broker-dealers affiliated with Lockwood. Several of our investment adviser affiliates have, collectively, a significant number of investment-related private funds for which a related person serves as sponsor, general partners or managing member (or equivalent), respectively. Please refer to the Form ADV, Part 1A – Schedule D, Section 7.B for each of our affiliated investment advisers for information regarding such firm's private funds (if applicable) and such firm's Form ADV, Part 1A – Schedule D, Section 7.A for information regarding related persons that serve in a sponsor, general partners or managing member capacity (if applicable).

Clients of Lockwood may also be clients of affiliated investment advisers and such relationships and related transactions may occur without Lockwood's knowledge.

BNY Mellon is a global financial services company providing a comprehensive array of financial services (including asset management, wealth management, asset servicing, clearing and execution services, issuer services and treasury services) through a world-wide, client-focused team that enables institutions and individuals to manage and service their financial assets. BNY Mellon Asset Management is the umbrella designation for certain of BNY Mellon's affiliated investment management firms and global distribution companies and is responsible, through various subsidiaries, for U.S. and non-U.S. retail, intermediary and institutional distribution of investment management and related services.

Lockwood may enter into transactions with unaffiliated counterparties or third-party service providers who then use affiliates of ours to execute such transactions. Additionally, Lockwood may effect transactions in American Depositary Receipts ("ADRs") or other securities and the involved issuers or their service providers may use affiliates of Lockwood for support services. Services provided by Lockwood's affiliates to such unaffiliated counterparties, third party service providers and/or issuers may include, for example, clearance of trades, purchases or sales of securities, serving as depositary banks to issuers of ADRs, providing foreign exchange services in connection with dividends and other distributions from foreign issuers to owners of ADRs, or other transactions not contemplated by Lockwood. Although the affiliate may receive compensation for engaging in these transactions and/or providing services, the decision to use or not use an affiliate of Lockwood is made by the unaffiliated counterparty, third-party service provider or issuer. Further, Lockwood will likely be unaware that the affiliate is being used to enter in such transaction or service.

BNY Mellon and/or its other affiliates may gather data from us about our business operations, including information about holdings within client portfolios, which is required for regulatory filings to be made by us or BNY Mellon or other affiliates (e.g., reporting beneficial ownership of equity securities) or for other compliance, financial, legal or risk management purposes, pursuant to policies and procedures of Lockwood, BNY Mellon or other affiliates. This data is



deemed confidential and procedures are followed to ensure that any information is utilized solely for the purposes intended.

Sub-Advisers that are investment management affiliates of BNY Mellon and/or investment vehicles that are managed by investment management affiliates of BNY Mellon may be used in the Products.

Parties, which are related parties to Lockwood or under common control as subsidiaries owned by BNY Mellon, include those which are:

- broker dealers (such as Pershing), municipal securities dealers, or government securities brokers or dealers (registered or unregistered)
- investment companies or other mutual funds
- futures or commodity brokers or agents
- hedge funds
- other investment advisers
- banking or thrift institutions
- insurance companies or agencies
- pension consultants
- syndicators of limited partnerships
- general partners of limited partnerships
- registered municipal advisors
- trust companies
- commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

Affiliates of Lockwood may refer Consultants, Co-Sponsors, Sponsors, or Sub-Advisers to Lockwood. Affiliates of Lockwood may also have business arrangements with Consultants, Co-Sponsors, Sponsors, or Sub-Advisers that may indirectly benefit from such entities business with Lockwood. This may create a potential conflict of interest; therefore, Lockwood shall make an independent determination as to whether to do business with such entities.

One or more Model Providers may also have a contract with Lockwood to serve as a separate account portfolio manager in one or more of the Lockwood Wrap Programs.

Pershing, a registered broker-dealer and Lockwood's affiliate, may provide clearing and custody services for the Command platform. In such cases, trading is performed on an agency basis through Pershing. Lockwood may delegate certain functions, including administration of trading, to its affiliate, the Managed Accounts division of Pershing ("Managed Accounts"). Managed Accounts does not have discretion to trade other than upon instructions of Lockwood.

Certain mutual fund families whose funds are used in the Products provide fees to Lockwood's affiliates, Pershing and Pershing Advisor Solutions. Lockwood does not receive any direct fees associated with an investment in such funds; however, the receipt of such compensation by Lockwood's affiliates creates a conflict of interest because Lockwood has a financial incentive to

select particular mutual funds or share classes that result in greater compensation to Pershing and Pershing Advisor Solutions. Lockwood addresses this conflict through a combination of disclosure to Clients and through policies and procedures designed to prevent Lockwood from considering the fees received by affiliates when selecting a particular mutual fund or share class. One or more affiliates of Lockwood may be a service provider, such as a trustee or administrator to a mutual fund or ETF, used in the Products, and may receive a fee from the mutual fund or ETF for performing such service. Lockwood does not receive any portion of these fees and does not consider trustee or administrator fees received by an affiliate in its selection and retention of investment vehicles. In the event that a Model Provider provides Lockwood with a Model that contains a mutual fund or ETF that is advised or sub-advised by an affiliate of Lockwood (a “Proprietary Fund”), Lockwood will either rebate to the Client the fees paid to the Lockwood affiliate or work with the Model Provider to determine a replacement mutual fund or ETF that is not a Proprietary Fund. For a list of Model Provider Models that include affiliate advised or sub-advised funds, please refer to the Lockwood Affiliate Advised/Sub-Advised Fund and Model List located at: <https://www.pershing.com/disclosures#lockwood>. Model Providers, independent from Lockwood, determine which funds to include in their respective Models.

Lockwood has relationships with certain firms and their affiliates that are also owners of common stock of BNY Mellon. The nature of such relationships include but are not limited to fund companies, fund investment advisers, other fund service providers and model providers for Products, as well as Portfolio Managers and Model Providers in certain managed account programs. These relationships with BNY Mellon may create a potential conflict of interest; however, it did not and does not affect Lockwood’s decision to include these firms in a managed account program or Product, and these firms are subject to Lockwood’s due diligence criteria.

The mutual funds and ETFs available in a particular Product or program may be serviced by Lockwood affiliates, who receive fees for such services. When selecting a mutual fund and/or ETF for inclusion in, or removal from a Product, Lockwood does not take into consideration whether the fund is serviced by an affiliate of Lockwood. For more detailed information regarding a mutual fund, including fees and expenses, please refer to that fund’s prospectus.

When Lockwood serves as portfolio manager in Command, Lockwood does not purchase securities issued by BNY Mellon.

Lockwood and certain of its affiliates sponsor other wrap fee programs, which may have fees, custodians, portfolio managers and/or available products that are different from those in the program described in this Brochure.

### **BNY Mellon’s Status as a Bank Holding Company**

BNY Mellon and its direct and indirect subsidiaries, including Lockwood, are subject to certain U.S. banking laws, including the Bank Holding Company Act of 1956, as amended (the “BHCA”), to regulation and supervision by the Board of Governors of the Federal Reserve System (the “Federal Reserve”), and to the provisions of, and regulations under, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). The BHCA and the Dodd-Frank Act (and other applicable banking laws, and their interpretation and administration by the appropriate regulatory agencies, including but not limited to the Federal Reserve) may

restrict the transactions and relationships among BNY Mellon, its affiliates (including us) and our clients, and may restrict our investments, transactions and operations. For example, the BHCA regulations applicable to BNY Mellon and us may, among other things, restrict our ability to make certain investments or the size of certain investments, impose a maximum holding period on some or all of our investments, and restrict our ability to participate in the management and operations of the companies in which we invest. In addition, certain BHCA regulations may require aggregation of the positions owned, held or controlled by related entities. Thus, in certain circumstances, positions held by BNY Mellon and its affiliates (including us) for Client and proprietary accounts may need to be aggregated and may be subject to a limitation on the amount of a position that may be held. These limitations may have an adverse effect on Lockwood's ability to manage Client investment portfolios. For example, depending on the percentage of a company, Lockwood and its affiliates (in the aggregate) control at any given time, the limits may: (1) restrict Lockwood's ability to invest in that company for certain Clients and/or (2) require us to sell certain Client holdings of that company at a time when it may be undesirable to take such action. Additionally, BNY Mellon may in the future, in its sole discretion and without notice, engage in activities impacting us in order to comply with the BHCA, Dodd-Frank Act or other legal requirements applicable to (or reduce or eliminate the impact or applicability of any bank regulatory or other restrictions on) us and accounts managed by us and our affiliates.

#### The Volcker Rule.

The Dodd-Frank Act includes provisions that have become known as the "Volcker Rule," which restrict bank holding companies, such as BNY Mellon and its subsidiaries (including Lockwood) from (i) sponsoring or investing in a private equity fund, hedge fund or otherwise "covered fund", with the exception, in some instances, of maintaining a de minimis investment, subject to certain other conditions and/or exceptions, (ii) engaging in proprietary trading, and (iii) entering into certain transactions with affiliated covered funds.

The Volcker Rule generally prohibits certain transactions involving an extension of credit or other type of transaction as set forth in applicable regulations between BNY Mellon and its affiliates, on the one hand, and "covered funds" managed or sponsored by BNY Mellon and/or its affiliates (including Lockwood), on the other hand, subject to certain exemptions pursuant to which such extensions of credit are permitted. BNY Mellon affiliates provide securities clearance and settlement services to broker-dealers on a global basis. The operational mechanics of the securities clearance and settlement process can result in an incidental or unintended intraday extension of credit between the securities clearance firm and a "covered fund." As a result, unless an applicable exemption is available, we may be restricted from using a BNY Mellon affiliate as custodian or in other capacities for covered funds as well as be restricted in executing transactions for certain funds through broker-dealers that utilize a BNY Mellon affiliate as their securities clearance firm. Such restrictions could limit the covered fund's selection of service providers and prevent us from executing transactions through broker-dealers we would otherwise use in fulfilling our duty to seek best execution. The Volcker Rule was amended in 2020 to include exemptions that permit a broader range of transactions between

BNY Mellon and its affiliates and relevant covered funds. BNY Mellon intends to rely on such exemptions to the extent it deems appropriate.

### **Affiliated Banking Institutions**

BNY Mellon engages in trust and investment business through various banking institutions, including the Bank and BNY Mellon, National Association. These affiliated banking institutions may provide certain services to us, such as recordkeeping, accounting, marketing services, and referrals of clients. We may provide the affiliated banking institutions with sales and marketing materials relating to our investment management services that may be distributed under the name of certain marketing “umbrella designations” such as BNY Mellon, BNY Mellon Wealth Management, BNY IM, and BNY EMEA.

### **C. Other Relationships**

Lockwood and its affiliates perform investment advisory services for various clients. Lockwood may give advice and take action in the performance of its duties with respect to any of its other clients, which may differ from the advice given, or the timing or nature of action taken, with respect another client. Lockwood has no obligation to purchase or sell for a Client any security or other property, which it purchases or sells for its own account or for the account of any other Client, if it is undesirable or impractical to take such action. Lockwood may give advice or take action in the performance of its duties with respect to any of its clients, which may differ from the advice given, or the timing or nature of action taken by our affiliates on behalf of their clients. In addition, Lockwood or an affiliate may cause multiple accounts to invest in the same investment.

In addition, BNY Mellon personnel, including certain of our employees, may have board, advisory, or other relationships with issuers, distributors, consultants and others that may have investments in a private fund and/or related funds or that may recommend investments in a private fund or distribute interests in a private fund. To the extent permitted by applicable law, BNY Mellon and its affiliates, including us and our personnel, may make charitable contributions to institutions, including those that have relationships with investors or personnel of investors. As a result of the relationships and arrangements described in this paragraph, placement agents, consultants, distributors and other parties may have conflicts associated with their promotion of a private fund, or other dealings with a private fund, that create incentives for them to promote a private fund.

BNY Mellon maintains a Code of Conduct that addresses these types of relationships and the potential conflicts of interest they may present, including the provision and receipt of gifts and entertainment.

BNY Mellon, among several other leading investment management firms, has a minority equity interest in Luminex Trading and Analytics, LLC (“Luminex”), a registered broker-dealer under the Exchange Act, which was formed for the purpose of establishing and operating a “buy-side” owned and controlled electronic execution utility for trading securities (the “Alternative Trading System”). Transactions for Clients for which we serve as adviser may be executed through the

Alternative Trading System. Lockwood and BNY Mellon disclaim that either is an affiliate of Luminex.

#### **D. Marketing Activities**

Certain Portfolio Managers or Model Providers (or their affiliates) available in Lockwood Wrap Programs, Products and other non-advisory platforms have served as sponsor of certain Lockwood conferences or other events. During the prior calendar year, Lockwood received sponsorship fees from the following Money Managers and Model Providers:

- None

Sponsorships create a potential conflict of interest, however, they did not and do not affect Lockwood's decision to include these firms in a Lockwood offering.

Correspondingly, during the prior calendar year, Lockwood paid sponsorships fees for certain specific marketing activities engaged in by the financial institutions and organizations listed below. This list includes Firms that participate or participated in Lockwood's Managed360 Program, Co-Sponsored Program, Command and/or other non-advisory platforms during the prior calendar year.

- Primerica Services Inc. (PFS Investments Inc. (d/b/a Primerica Advisors))
- Key Investment Services, LLC
- Arvest Wealth Management
- Benjamin F. Edwards
- Securian Financial Services, Inc.

Affiliates of Lockwood, including Pershing, may have also paid or received sponsorship fees for certain marketing activities of firms that do business with Lockwood. By accepting sponsorship payments from Portfolio Managers and Model Providers, a potential conflict of interest may exist in Lockwood's objective ability to provide Clients with disinterested advice. Lockwood manages this potential conflict of interest by applying the same selection criteria to Portfolio Managers, Model Providers, Sub-advisers, ETFs and mutual funds, regardless of whether Lockwood, Pershing or any other affiliate of Lockwood pays or receives sponsorship fees.

Lockwood or its affiliates may pay certain expenses, such as lodging, meals and entertainment for certain attendees at conferences sponsored by Lockwood or its affiliates. This indirect compensation provided to Consultants who recommend Lockwood's products may create a conflict of interest.

#### **E. Other Wrap Products and Services**

Lockwood acts as Sponsor and/or portfolio manager in programs that may be similar to the program described in this Brochure and priced differently. Lockwood acts as portfolio manager in programs where Lockwood acts as Sponsor and also in programs where it does not also act as Sponsor. In addition, Lockwood's management of the investments in these other programs not described in this Brochure may differ from the way Lockwood manages the investments in the

Products described in this Brochure, for accounts with the same or similar investment objectives, similar risk structure and similar size. For the program described in this Brochure and the programs not described in this Brochure, where Lockwood acts as portfolio manager, Lockwood may make different decisions regarding the same security in different programs, taking into consideration all facts and circumstances, on or about the same time. Managed Accounts personnel, on behalf of Lockwood, submit trade orders for each program independently from the other programs due to different trading technology platforms. As a result, the trades for one program may be entered before the trades of another program.

To obtain a copy of other Lockwood Brochures, call 1-800-200-3033, Option 3.

Lockwood may also provide investment advice to other financial intermediaries. These financial intermediaries may also participate in one or more Lockwood programs. Lockwood may provide advice to certain co-sponsors of other Lockwood wrap fee programs prior to initiating investment changes in Client accounts.

Lockwood may enter into agreements with third parties, including Firms and affiliates of Lockwood, whereby Lockwood will apply its proprietary quantitative screening techniques (including historical performance and risk measures) to a mutual fund and/or ETF universe provided to Lockwood by a third-party, including your Firm. Lockwood will then assess each mutual fund/ETF as to whether it passes or fails the screening process. The screening results are not intended to be offered by Lockwood as investment advice to Clients, but rather only offered to the corresponding Firm or affiliate. Lockwood has no investment discretion when it is only providing mutual fund and ETF screening services. Lockwood's fee for this service may be billed quarterly to the Firm or affiliate.

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

### **A. Compliance Plan**

Lockwood has adopted written policies and procedures pursuant to Rule 206(4)-7 under the Advisers Act, which are incorporated within Lockwood's Compliance Manual. The Compliance Manual addresses the following topics:

- Adherence to Investment Objectives and Restrictions
- Advertisements
- Adviser's Compliance Program
- Adviser as Sponsor
- Adviser as Portfolio Manager
- Advisory Agreements
- Agency Cross Transactions
- Anti-Money Laundering
- Best Execution
- Books and Records

- Business Continuity and Disaster Recovery
- Client Accounts
- Complaints
- Conflicts of Interest
- Continuing Education
- Custody
- Cybersecurity
- Dealings with Regulators, Government Agencies, Outside Attorneys and Duty to Escalate
- Directed Brokerage
- Due Diligence – Third Party Firms
- Due Diligence-Selection of Portfolio Managers
- Due Diligence-Selection of Investment Vehicles and Third-party List Providers
- Electronic Communications and Social Media
- ERISA
- Escalation and Speaking Up
- Exchange Act Filings
- Fees
- Form ADV
- Gifts, Entertainment and Other Payments
- Government Contracts
- Insider Trading and Pre-Clearance
- Investment Adviser Representative Continuing Education
- Investment Adviser Representative Registration
- Late Trading and Market Timing-Mutual Funds
- Oversight of Portfolio Managers, Investment Vehicles and Buy List Providers
- Performance Advertising
- Personal Securities Transactions & Records
- Principal Trading
- Prohibited Business Practices for Investment Advisers and their Associated Persons
- Proxy Voting
- Regulation S-P- Privacy of Client Financial Information and Safeguarding Information
- Security Pricing and Account Valuations
- Soft Dollars
- Testimonials and Endorsements
- Trade Errors
- Trading
- Political Contributions by Investment Advisers

Lockwood employees receive periodic training relating to the policies and procedures, which are reviewed periodically and amended, as needed.

## **B. Code of Ethics and Personal Trading**

Lockwood has adopted a Code of Ethics (“Code”) pursuant to Rules 204A-1 and 204-2 under the Advisers Act. The Code is reviewed periodically, amended as necessary, and distributed to all personnel. Periodic training on the Code is provided to existing employees and all new employees upon hire.

The Code addresses a variety of topics relating to the appropriate conduct of investment advisory personnel, including the following:

- Fiduciary obligations of access persons
- Requirement to comply with applicable Federal securities laws
- Classification of access persons
- Reporting requirements for access persons
- Pre-clearance requirements for access persons
- Confidentiality
- Receipt and presentation of gifts
- Pre-approval of initial public offerings or limited offerings
- Reporting, review and recordkeeping requirements
- Review of access persons’ transactions in reportable securities
- Violations of the Code
- Training

With respect to personal trading, the Code contains rules and restrictions on the purchase and sale of securities by employees. These rules and/or restrictions are designed to protect Lockwood’s Clients. All officers and employees are required to put the interests of the Clients first in all dealings relating to the Client and their investments.

Activities that are strictly prohibited include:

- Having a personal interest in any Client transaction
- Receiving any personal benefit from a Client transaction
- Using knowledge of Client transactions for personal gain
- Allowing anything to influence or impact an independent unbiased judgment with respect to Client communications.

Compliance personnel monitor personal securities trading by employees and the members of the employee’s household. Employees who have direct contact with certain Client account information are required to obtain approval in advance for any securities transactions they or a member of their household wish to make. Employee personal trading is monitored by Compliance personnel to verify the employees are complying with the Code. Lockwood may impose penalties and sanctions on employees who have violated provisions of the Code, including the personal trading policy. Employees must file transaction reports with Compliance quarterly and holdings reports annually.



To the extent the Code is silent on a matter; Lockwood shall default to the BNY Mellon Code of Conduct (the “BNY Mellon Code”). The BNY Mellon Code provides to employees the framework and sets the expectations for business conduct. In addition, it clarifies our responsibilities to clients, suppliers, government officials, competitors and the communities we serve and outlines important legal and ethical issues.

Lockwood will provide a copy of the Code or BNY Mellon Code to you or any prospective Client, upon request.

**C. Participation or Interest in Client Transactions**

Lockwood, its employees and/or affiliates may give advice and take action in the performance of their duties that may be the same as, similar to, or different from advice given, or the timing or nature of actions taken, for other Client accounts or for their proprietary or personal accounts. Lockwood and its employees may at any time hold, acquire, increase, decrease, dispose of or otherwise deal with positions in investments in which your account may have an interest from time to time. Lockwood has no obligation to acquire for your account a position in any investment, which it, acting on behalf of another Client, or an employee, may acquire, and the Client accounts shall not have first refusal, co-investment or other rights in respect of any such investment. In addition, Lockwood employees may be invested in the Products. Because this may present a potential conflict of interest, Lockwood has adopted a Code of Ethics, which includes restrictions on employees’ personal trading as described above.

**D. Privacy Policy**

Lockwood has procedures designed to protect your personal information. Please refer to Exhibit C for Lockwood’s Privacy Policy.

**E. Business Continuity**

Lockwood has adopted a business continuity plan to maintain critical functions in the event of circumstances which may impact our physical office location, applications, data centers or networks. Lockwood has engaged in planning and process development to reduce risk in this area.

**F. Error Correction**

Lockwood seeks to correct errors affecting Client accounts in a fair and timely manner and in such a way that the Client will not suffer a loss. To manage potential conflicts of interest concerning errors, we have implemented a written error resolution policy, whereby risk management personnel monitor and resolve such issues.

**G. Risk Committee**

Representatives from Lockwood participate in the Pershing Risk Management Council, which has been established to provide an integrated forum in support of Pershing’s global risk and control management framework.

## **Item 12 Brokerage Practices**

### **A. Soft Dollars**

Lockwood currently does not use soft dollar research or services. In the event Lockwood should begin to use soft dollar research or services, then Lockwood would make a good faith determination of the value of the research product or service in relation to the commissions paid. Lockwood would pay particular attention to the fact that any benefit must be advantageous to Clients.

### **B. Trade Aggregation**

Lockwood delegates certain operational functions to Managed Accounts, including trade order entry with respect to the Products. Due to different trading technology platforms, the timing of trading among the different Products may, and often does, differ.

Lockwood maintains “average price accounts” at Pershing for the trades in accounts managed by Lockwood. Generally, trades made within the same Product are aggregated in the same trading block so that all accounts within that trading block will receive the same price for execution based on the average price for the block. Typically, for each Product, trades for new accounts, style changes and previous day contributions are aggregated in one trade block. For example, if the same security is being purchased in both AFP and LAAP at the same time, there would be separate trading blocks for each of the AFP and LAAP trades. For large ETF orders, however, Lockwood may combine a trade across the Products.

Throughout the day, at various times, Lockwood may receive requests from Clients that require one or more accounts to be traded. For example, you may ask your Consultant to raise cash for an upcoming withdrawal, liquidate a security or change the selected model portfolio. Managed Accounts will process the request and enter an order for a trade block as each request is received. If Managed Accounts receives multiple requests within a reasonable time (typically a 15 minute window), generally, Managed Accounts will aggregate those trades into a single trading block.

### **C. Trade Rotation Policy**

Lockwood has adopted a trade rotation policy to define the sequence in which Lockwood communicates trades and model portfolio advice (the “Lockwood Trade Rotation”). Lockwood utilizes the Lockwood Trade Rotation, as necessary, when placing trades for client accounts in which Lockwood has investment discretion as Portfolio Manager (“Lockwood Discretionary Accounts”) and in communicating model changes to third parties that receive Lockwood created model Portfolios (“Lockwood Model Recipients”) for which Lockwood does not exercise trading discretion.

When Lockwood executes trades in the Lockwood Discretionary Accounts that it also communicates to one or more Lockwood Model Recipients, Lockwood will do so on a rotational basis. A rotation schedule will be maintained that includes Lockwood Discretionary Accounts and each Lockwood Model Recipient (the “Rotation Schedule”). Lockwood’s trade execution and communication will follow the Rotation Schedule, which will rotate each day that trades are

executed and communicated (i.e., the Lockwood Discretionary Accounts or each Lockwood Model Recipient that was previously first will move to the end of the Rotation Schedule).

Because Client accounts are often part of wrap fee programs with fee structures that include clearing and custody fees, Lockwood will typically place its discretionary trades for the Products with the custodian used by the Client. Lockwood has adopted a trade rotation policy to define the sequence in which Lockwood communicates trades to different custodians. As part of this policy, when Lockwood makes a portfolio change in a Product that impacts clients utilizing different custodians, Lockwood will rotate the order in which changes in a given Product are communicated to the applicable custodians.

Lockwood's receipt of a model portfolio from a Model Provider or Sub-Adviser is subject to the trade rotation policy of such Model Provider or Sub-Adviser ("Model Trade Rotation Policy"), which allocates the distribution of model portfolio updates across multiple program SMA and model products in which the Model Provider or Sub-Adviser, as applicable, participates. In some cases, Lockwood may not receive the model portfolio until after such Model Provider or Sub-Adviser has already executed trades in its own discretionary accounts. As a result of the Model Provider's or Sub-Adviser's Model Trade Rotation Policy, your account may be disadvantaged based on the order in which Lockwood receives updates to the model portfolio. Please refer to the Model Provider's or Sub-Adviser's Form ADV Part 2A for more information regarding the trade rotation policies of that Model Provider or Sub-Adviser, as applicable, and the Program Brochure applicable to your Program.

Lockwood uses the InvestCloud APL trading system ("APL") to allocate the trades made in the Products. Lockwood utilizes the pro-rata method within APL in the event of a partial fill, whereby Lockwood allocates shares to accounts on a pro-rata basis governed by a series of tax-lot and trade criteria until all shares are allocated.

#### **D. Rebalancing**

Lockwood may change the style allocation, Sub-Advisers or investment vehicles used to manage a portion of the portfolio without receiving instructions from you in each case. In the event of an asset allocation change, Lockwood rebalances the portfolio accordingly (a "Global Rebalance"). During the life of the portfolio, Lockwood may change the investment vehicles used within the portfolio to attempt to achieve more effective tracking to a benchmark, or make an allocation to a specific sector or characteristic, such as International Small-Cap or fixed income duration, as part of its portfolio management process.

Accounts are systematically reviewed periodically to determine if they fall outside of the established drift parameters. If the account has drifted away from the model allocation such that it falls outside of the established parameters, it will be rebalanced back to the selected investment model. If the account is within the drift parameters, the account will not be rebalanced. Lockwood retains discretion to determine if a rebalance is appropriate at any time during the life of the account.

When you request a cash withdrawal from your account, Lockwood may sell some of the securities in your account to raise the cash you requested. After a security is sold, it may take up

to two (2) business days before the trade settles and the cash proceeds are in your account. In some cases, Lockwood may be able to request a “short settlement” and have the trade settled in one (1) business day. Please note, however, that you will incur additional brokerage costs to have a short settlement effected. In addition, certain mutual funds do not permit next day settlement requests even though most open-ended mutual fund trades settle in one (1) business day.

During a Global Rebalance, if there is a cash balance in the portfolio, the cash may not be available to be withdrawn. Lockwood performs its trading analysis based on trade date, not settlement date, so cash may appear to be available to you when it is not available during such a Global Rebalance.

For example, Lockwood sends an order to sell a security and buy another security. The security sale raises \$10,000 and the new security is purchased for the same amount. The sale may settle the next business day, but the new security may not settle for two (2) more business days. If you request a withdrawal and take the cash in the strategy after the sale of the security settles, but before the new security buy settles, it will result in a negative balance. In addition, there are times when it will take more than one (1) day to complete the trading required for a Global Rebalance and cash may appear to be available to you at times when it is not available.

If you wish to make a withdrawal or some other change, such as a Model change, style change, etc., Lockwood cannot process this request on shares that have not settled, because the client does not own them yet. This would constitute a violation called “freeriding,” which is not permitted under the Federal Reserve Board’s Regulation T and the custodian may be required to prohibit trading in the Client’s account for 90 days.

You should consult your tax advisor and Consultant on these issues prior to requesting a withdrawal from your account.

#### **E. Best Execution**

Lockwood has adopted a Best Execution Policy pursuant to which Lockwood reviews exception reports containing samples of trades to monitor for best execution. Pursuant to its best execution policy, Lockwood has established a Best Execution Council which meets quarterly to review execution quality metrics and compliance with applicable regulations.

Because Client accounts are often part of wrap fee programs with fee structures that include clearing and custody fees, Lockwood will typically place its discretionary trades for the Products with the custodian used by the Client, including Lockwood’s affiliate Pershing, as applicable. All such trades are affected on an agency basis, unless prior Client approval is obtained for a principal trade, in accordance with the Advisers Act. Lockwood may trade away from a Client’s custodian in order to achieve best execution. When selecting other broker-dealers, Lockwood does not consider whether Lockwood or an affiliate receives client referrals from that broker-dealer. Lockwood delegates certain functions, including administration of trading, to Managed Accounts.

#### **F. InvestCloud Security APL**

Lockwood employs the InvestCloud (formerly Fiserv) Security APL (“APL”) system as its primary portfolio accounting system. APL has a process whereby a security or securities may not be purchased if there is inadequate cash in the account to purchase such security. APL will prorate the available cash among the securities and APL will not purchase a security to a weight not specified in the platform.

#### **G. Blackout Periods**

Lockwood will implement blackout periods leading up to its discretionary portfolio changes (including changes to underlying investment vehicles, asset allocation changes and rebalances) made for AFP, WealthStart, LAAP, LAFCP, LLBP, and LESG. During such blackout periods, processing of certain maintenance requests, such as contributions and withdrawals, and the associated trading may be delayed until the blackout period is complete. Because Client assets remain invested during the blackout period, the value of a Client’s account may decrease (or increase) during the blackout period. Requests to fully liquidate and terminate a Client account will not be impacted by blackout periods.

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

Lockwood employs a number of reports to periodically monitor an account’s holdings with respect to the Products, and also to review accounts for such items as cash level, style drift and investment performance. As a result of these reviews, Lockwood, in its sole discretion, may rebalance your account in such instances as it believes are in your best interests.

Your Consultant and your Sponsor are responsible for obtaining information from you regarding your financial situation and investment objectives and determining whether a Product is suitable for you. Your Consultant and your Sponsor are also responsible for providing you with the opportunity to impose reasonable restrictions on the management of your account.

In addition, your Consultant and your Sponsor are responsible for monitoring your investment objectives or guidelines on an on-going and periodic basis, but no less frequently than quarterly, to confirm that the selected Product remains suitable for you.

Your Consultant and/or the Sponsor will contact you, at least annually, to inform them of any changes in your financial situation or investment objectives or if there are any new or changes to existing investment restrictions which you wish to impose. While there are no restrictions on your ability to contact and consult Lockwood personnel, it is generally preferred that you do so through, or together with, your Consultant.

Lockwood may provide your Consultant with written investment performance reports which may, in turn, be made available to you. You are encouraged to compare the information contained in any performance reports you receive from Lockwood or your Consultant with the information contained in the statements you receive from your custodian.

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

As of the date of this Brochure, Lockwood does not maintain any solicitor arrangements.

Lockwood may enter into agreements with third parties who will solicit investor Clients for Lockwood and receive compensation from Lockwood for their solicitation efforts. In such instances, Lockwood will give the third-party solicitor either a percentage of or a set fee from the Lockwood advisory fee charged to the Client. The Lockwood advisory fee charged to the Client is not affected by the use of a third-party solicitor in connection with the Client's account(s), and the Client will not be assessed any additional charges as a result of any referral fees paid by Lockwood. If the services of a third-party solicitor are used in connection with the Client's account, the structure of the arrangement and the compensation paid to the third-party solicitor will be fully disclosed to the Client pursuant to Rule 206(4)-1 of the Advisers Act.

## **Item 15 Custody**

Rule 206(4)-2 under the Advisers Act (the "Custody Rule") defines "custody" to include a situation in which an adviser or a related person holds, directly or indirectly, client funds or securities or has any authority to obtain possession of them, in connection with advisory services provided by the adviser. For the purposes of the Custody Rule, Lockwood is deemed to have custody of client funds and securities which are managed by Lockwood in Command and Custodied by Pershing due to Lockwood's affiliation with Pershing. Pershing is located at One Pershing Plaza, Jersey City, New Jersey 07399.

Accounts may be custodied at Pershing, another affiliate of Lockwood, or elsewhere. You will receive custodial account statements about portfolio holdings directly from the custodian that maintains your funds and securities. In addition to custodial brokerage statements provided by the custodian, Lockwood may make regular investment performance and evaluation reports available to your Consultant, so you can measure your progress toward your financial goals. You are encouraged to carefully review the custodial account statements you receive from the custodian and compare the information on those statements to any report on an account that you receive from Lockwood. If you require additional information about the content of a Lockwood report, you should contact Lockwood at 1-800-200-3033, Option #3.

Because Lockwood is affiliated with Pershing, Lockwood has retained an independent public accountant to perform a surprise examination of Lockwood on at least an annual basis pursuant to Rule 206(4)-2 under the Advisers Act. The most recent independent public accountant's report dated September 28, 2022, is filed with the SEC and is available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). (Click on the link for "Investment Adviser Search", select "Firm," type in "Lockwood Advisors", select "Lockwood Advisors", and then select "Accountant Surprise Examination Report.")

It is Lockwood's policy that it does not advise, initiate or take any other action on your behalf relating to securities held in your account managed by Lockwood in any legal proceeding (including, without limitation, class actions, class action settlements and bankruptcies). Lockwood does not file proofs of claim relating to securities held in your account and does not notify you or your custodian of class action settlements or bankruptcies relating in any way to such account.

## **Item 16 Investment Discretion**

If you have an AFP account, you have given Lockwood and your Consultant certain discretion in your investment advisory agreement with your Sponsor. As previously described in Items 8 and 12, you have given Lockwood the limited discretion to make trades in your account for Model Updates. Lockwood, in its sole discretion, may rebalance your account in such instances as it believes are generally beneficial and in accordance with the Model selected by you and your Consultant. You may grant limited discretion to your Consultant to make changes to Primary Selections and Alternative Selections in your AFP account and to make other decisions relating to the AFP account on your behalf. Please refer to your agreement with your Sponsor and/or Consultant for more information regarding the discretion you grant to your Consultant.

If you have a WealthStart, LAAP, LAFCP, LLBP, LESG, Third Party Model Provider, Command Sponsor UMA account or Command Sponsor Models Based SMA account, you have given Lockwood certain discretion in your investment advisory agreement with your Sponsor. As described in Items 8 and 12, you have given Lockwood full discretionary authority to select securities for your account, to make trades in your account and to rebalance your account in such instances as it believes are in your best interests and in accordance with the Model selected by you and your Consultant.

## **Item 17 Voting Client Securities**

If you opt to have Lockwood vote proxies for you, your custodian will send reorganization notices and proxy materials to Lockwood. If your account is a tax-qualified retirement plan subject to ERISA, unless you opt to do it yourself or delegate proxy voting to another entity, Lockwood will vote your proxies. If your account is not an ERISA account, you may either retain the right to vote proxies or delegate such authority to Lockwood. If you opt to vote your own proxies, you will receive proxies as described in your brokerage agreement with the broker-dealer. Clients should contact their Consultant if they have any questions about any proxies or other solicitations they receive.

As part of the relationship between us and our Clients, typically through an investment advisory agreement, a Client may delegate to us its right to exercise voting authority in connection with the securities we manage for that Client. Voting rights are most commonly exercised by casting votes by proxy at shareholder meetings on matters that have been submitted to shareholders for approval. Consistent with applicable rules under the Advisers Act, we have adopted and implemented written proxy voting policies and procedures that are reasonably designed: (1) to vote proxies, consistent with our fiduciary obligations, in the best interests of Clients; and (2) to prevent conflicts of interest from influencing proxy voting decisions made on behalf of Clients. We provide these proxy voting services as part of our portfolio management services to Client accounts and do not separately charge a fee for this service.

Clients that have granted us with voting authority are not permitted to direct us on how to vote in a particular solicitation. We do not provide proxy voting recommendations to Clients who have not granted us voting authority over their securities.

### **Committee Structure**

Lockwood has established the Lockwood Proxy Voting and Governance Committee (the “Committee”) and exercises the voting rights delegated to it by Clients. The Committee consists of representatives from our firm. We have adopted a Proxy Voting Policy, related procedures, and voting guidelines (the “Proxy Policies”). The Committee seeks to make proxy voting decisions that are in the best interest of the client and has adopted detailed, pre-determined, written proxy voting guidelines for specific types of proposals and matters commonly submitted to shareholders by U.S. and non-U.S. companies (collectively, the “Voting Guidelines”), which are included in the Proxy Policies. These Voting Guidelines are designed to assist with voting decisions, which over time seek to maximize the economic value of the securities of companies held in Client accounts (viewed collectively and not individually) as determined in the discretion of the Committee. Lockwood believes that this approach is consistent with its fiduciary obligations and with the published positions of applicable regulators with an interest in such matters (e.g., the U.S. Securities and Exchange Commission and the U.S. Department of Labor), and we have adopted the Proxy Policies, including the Voting Guidelines, and agreed that we will vote proxies through the Committee. Lockwood does not permit Clients to direct Lockwood on how to vote in a particular solicitation. However, if a Client of ours chooses to retain proxy voting authority or delegate proxy voting authority to an entity other than Lockwood (whether such retention or delegation applies to all or only a portion of the securities within the client’s account), either the client’s or such other entity’s chosen proxy voting guidelines (and not the Committee’s) will apply to those securities.

### Voting Philosophy

Lockwood recognizes that the responsibility for the daily management of a company’s operations and strategic planning is entrusted to the company’s management team, subject to oversight by the company’s board of directors. As a general matter, Lockwood invests in companies believed to be led by competent management, as set forth in the Voting Guidelines, and Lockwood customarily votes in support of management proposals and consistent with management’s recommendations. However, in Lockwood’s role as a fiduciary, Lockwood believes that it must express its view on the performance of the directors and officers of the companies in which Clients are invested and how these Clients’ interests as shareholders are being represented. Accordingly, as set forth in the Voting Guidelines, Lockwood will vote against those proposals that Lockwood believes would negatively impact the economic value of Clients’ investments – even if those proposals are supported or recommended by company management.

Lockwood seeks to vote on proxies of non-U.S. companies through application of the Voting Guidelines. However, corporate governance practices, disclosure requirements and voting operations vary significantly among the various non-U.S. markets in which our clients may invest. In these markets, we may face regulatory, compliance, legal or logistical limits with respect to voting securities held in Client accounts which can affect our ability to vote such proxies, as well as the desirability of voting such proxies. Non-U.S. regulatory restrictions or company specific ownership limits, as well as legal matters related to consolidated groups, may restrict the total percentage of an issuer’s voting securities that we can hold for Clients and the nature of our voting in such securities. Our ability to vote proxies may also be affected by, among other things: (1) late receipt of meeting notices; (2) requirements to vote proxies in person; (3) restrictions on a foreigner’s ability to exercise votes; (4) potential difficulties in



translating the proxy; (5) requirements to provide local agents with unrestricted powers of attorney to facilitate voting instructions; and (6) requirements that investors who exercise their voting rights surrender the right to dispose of their holdings for some specified period in proximity to the shareholder meeting. Absent an issue that is likely to impact Clients' economic interest in a company, Lockwood generally will not subject Clients to the costs (which may include a loss of liquidity) that could be imposed by these requirements. In these markets, Lockwood will weigh the associative costs against the benefit of voting, and may refrain from voting certain non-U.S. securities in instances where the items presented are not likely to have a material impact on shareholder value.

### Process

The Committee has retained the services of two independent proxy advisors ("Proxy Advisors") to provide comprehensive research, analysis, and voting recommendations. These services are used most frequently in connection with proposals or matters that may be controversial or require a case-by-case analysis by the Committee in accordance with its Voting Guidelines. The Committee has engaged one of its Proxy Advisors as its proxy voting agent (the "Proxy Agent") to administer the mechanical, non-discretionary elements of proxy voting and reporting for Clients. The Committee has directed the Proxy Agent, in that administrative role, to follow the specified Voting Guidelines and apply it to each applicable proxy proposal or matter where a shareholder vote is sought. Accordingly, proxy items that can be appropriately categorized and matched either will be voted in accordance with the applicable Voting Guideline or will be referred to the Committee if the Voting Guideline so requires. The Voting Guidelines require referral to the Committee for discussion and vote of all proxy proposals or shareholder voting matters for which the Committee has not yet established a specific Voting Guideline, and generally for those proxy proposals or shareholder voting matters that are contested or similarly controversial (as determined by the Committee in its discretion).

Generally, when a matter is referred to the Committee, the decision of the Committee will be applied to all accounts for which the Lockwood exercises proxy voting authority, whether the account is actively managed or managed pursuant to quantitative, index or index-like strategies ("Index Strategies"), unless Lockwood determines that the economic interests of a particular account differ and require that a vote be cast differently from the collective vote in order to act in the best interests of such account's beneficial owners. In all cases, for those Clients that have given Lockwood authority to vote proxies, the ultimate voting decision and responsibility rests with us.

For items referred to it, the Committee may determine to accept or reject any recommendation based on the Voting Guidelines, research and analysis provided by its Proxy Advisors or on any independent research and analysis obtained or generated by Lockwood and/or BNY Mellon's Proxy Governance group. Because accounts following index strategies are passively managed accounts, research related to an issuer with securities held in these accounts may not be available to the Committee.

Clients may receive a copy of the Voting Guidelines, as well as the Proxy Voting Policy, upon request. Clients may also receive information on the proxy voting history for their managed accounts upon request. Please contact Lockwood for more information.

## Managing Conflicts

It is the policy of the Committee to make proxy voting decisions that are solely in the best long-term economic interests of Clients. The Committee is aware that, from time to time, voting on a particular proposal or with regard to a particular issuer may present a potential for conflict of interest for Lockwood. For example, potential conflicts of interest may arise when: (1) a public company or a proponent of a proxy proposal has a business relationship with Lockwood or a Lockwood affiliate and/or (2) an employee, officer or director of Lockwood or a Lockwood affiliate has a personal interest in the outcome of a particular proxy proposal.

Aware of the potential for conflicts to influence the voting process, the Committee consciously developed the Voting Guidelines and structured the Committee and its practices with several layers of controls that are designed to ensure that the Committee's voting decisions are not influenced by interests other than those of Lockwood's fiduciary Clients. For example, the Committee developed its Voting Guidelines with the assistance of internal and external research and recommendations provided by third party vendors but without consideration of any Lockwood or BNY Mellon Client relationship factors. The Committee has directed the Proxy Agent to apply the Voting Guidelines to individual proxy items in an objective and consistent manner across Client accounts and similarly has directed the Proxy Agent to administer proxy voting for Lockwood Clients. When proxies are voted in accordance with these pre-determined Voting Guidelines, it is the Committee's view that these votes do not present the potential for a material conflict of interest and no additional safeguards are needed.

For those proposals that are referred for discussion and vote to the Committee in accordance with the Voting Guidelines or Committee direction, the Committee votes based upon its principle of seeking to maximize the economic value of the securities held in Client accounts. In this context the Committee seeks to address the potential for conflicts presented by such "referred" items through deliberately structuring its membership. The Committee consists of senior officers and investment professionals from Lockwood, and is supported by members of Lockwood's Compliance, Legal and Risk Management Departments, as necessary.

With respect to the potential for personal conflicts of interest, BNY Mellon's Code of Conduct, which is applicable to Lockwood, requires that all employees make business decisions free from conflicting outside influences. Under this Code, BNY Mellon employees' business decisions are to be based on their duty to BNY Mellon and to their Clients, and not driven by any personal interest or gain. All employees are to be alert to any potential for conflict and to identify and mitigate or eliminate any such conflict. Accordingly, members of the Committee with a personal conflict of interest regarding a particular public company or proposal that is being voted upon must recuse themselves from participation in the discussion and decision-making process with respect to that matter.

Additionally, there are certain instances where the Committee may engage an independent fiduciary to vote proxies as a further safeguard to avoid any potential conflicts of interest or as otherwise required by applicable law. These instances are considered to be "Primary Conflicted Proxies" and they typically arise due to relationships between proxy issuers or companies and BNY Mellon, a BNY Mellon affiliate, a BNY Mellon executive, or a member of BNY Mellon's Board of Directors.

When an independent fiduciary is engaged, the fiduciary either will vote the involved proxy, or provide us with instructions as to how to vote such proxy. In the latter case, we will vote the proxy in accordance with the independent fiduciary's determination.

## **Item 18 Financial Information**

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Item. Lockwood has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has never been the subject of a bankruptcy proceeding.

## **EXHIBIT A**

### **Schedule of Available Models for the Third Party Model Providers Product**

**As of December 31, 2022**

**(BEGINS ON NEXT PAGE)**

Models	Minimum Investment	Model Provider Fee
<u>BlackRock Investment Management, LLC</u> <ul style="list-style-type: none"> <li>Long Horizon Allocation Portfolios – Capital Preservation</li> <li>Long Horizon Allocation Portfolios – Moderate Growth</li> <li>Long Horizon Allocation Portfolios – Accumulation</li> <li>Long Horizon Allocation Portfolios – Aggressive Growth</li> <li>Long Horizon Allocation Portfolios – Income</li> <li>BlackRock Target Allocation - 0/100</li> <li>BlackRock Target Allocation - 10/90</li> <li>BlackRock Target Allocation - 20/80</li> <li>BlackRock Target Allocation - 30/70</li> <li>BlackRock Target Allocation - 40/60</li> <li>BlackRock Target Allocation - 50/50</li> <li>BlackRock Target Allocation - 60/40</li> <li>BlackRock Target Allocation - 70/30</li> <li>BlackRock Target Allocation - 80/20</li> <li>BlackRock Target Allocation - 90/10</li> <li>BlackRock Target Allocation - 100/0</li> <li>BlackRock Target Allocation Tax Aware - 10/90</li> <li>BlackRock Target Allocation Tax Aware - 20/80</li> <li>BlackRock Target Allocation Tax Aware - 30/70</li> <li>BlackRock Target Allocation - Tax Aware 40/60</li> <li>BlackRock Target Allocation Tax Aware - 50/50</li> <li>BlackRock Target Allocation Tax Aware - 60/40</li> <li>BlackRock Target Allocation Tax Aware - 70/30</li> <li>BlackRock Target Allocation Tax Aware - 80/20</li> <li>BlackRock Target Allocation Tax Aware - 90/10</li> </ul>	\$10,000	0 bps

<u>Blackrock Investment Management, LLC</u> <ul style="list-style-type: none"> <li>• Target Income – Moderate Income Active/Index</li> <li>• Target Income – Core Income Active/Index</li> <li>• Target Income – High Income Active/Index</li> </ul>	\$25,000	10 bps
<u>Calvert Investments, Inc.</u> <ul style="list-style-type: none"> <li>• Calvert Responsible Conservative Portfolio</li> <li>• Calvert Responsible Moderate Portfolio</li> <li>• Calvert Responsible Growth Portfolio</li> </ul>	\$25,000	0 bps
<u>First Trust Advisors, LP</u> <ul style="list-style-type: none"> <li>• FT Strategic Risk – Aggressive Growth</li> <li>• FT Strategic Risk – Moderate Growth</li> <li>• FT Strategic Risk – Balanced Growth</li> <li>• FT Strategic Risk – Capital Preservation</li> <li>• FT Strategic Risk – Conservative Growth</li> <li>• FT Strategic Allocation – All Equity</li> <li>• FT Strategic Allocation – Equity Income</li> <li>• FT Strategic Allocation – Diversified Low Duration</li> <li>• FT Strategic Allocation – High Income</li> </ul>	\$25,000	0 bps
<u>Goldman Sachs Asset Management LP</u> <ul style="list-style-type: none"> <li>• Goldman Sachs S&amp;P Conservative ETF G-MAP</li> <li>• Goldman Sachs S&amp;P Moderate ETF G-MAP</li> <li>• Goldman Sachs S&amp;P Growth ETF G-MAP</li> <li>• Goldman Sachs S&amp;P Enhanced Growth ETF G-MAP</li> <li>• Goldman Sachs S&amp;P Moderate Conservative ETF G-MAP</li> <li>• Goldman Sachs S&amp;P Moderate Growth ETF G-MAP</li> <li>• Goldman Sachs S&amp;P Conservative Income ETF G-MAP</li> <li>• Goldman Sachs S&amp;P Ultra Conservative ETF G-MAP</li> </ul>	\$15,000	0 bps

<u>GSAM Strategist Portfolios, LLC</u> <ul style="list-style-type: none"> <li>• Goldman Sachs S&amp;P Conservative ETF MAP</li> <li>• Goldman Sachs S&amp;P Enhanced Growth ETF MAP</li> <li>• Goldman Sachs S&amp;P Growth ETF MAP</li> <li>• Goldman Sachs S&amp;P Ultra Conservative Income ETF MAP</li> <li>• Goldman Sachs S&amp;P Moderate Conservative ETF MAP</li> <li>• Goldman Sachs S&amp;P Moderate Growth ETF MAP</li> <li>• Goldman Sachs S&amp;P Moderate ETF MAP</li> <li>• Goldman Sachs S&amp;P Conservative Income ETF MAP</li> </ul>	\$25,000	15 bps
<u>Invesco Advisers, Inc.</u> <ul style="list-style-type: none"> <li>• Invesco Pinnacle Series: Smart Beta 20 Portfolio</li> <li>• Invesco Pinnacle Series: Smart Beta 40 Portfolio</li> <li>• Invesco Pinnacle Series: Smart Beta 60 Portfolio</li> <li>• Invesco Pinnacle Series: Smart Beta 80 Portfolio</li> <li>• Invesco Pinnacle Series: Smart Beta 90 Portfolio</li> </ul>	\$25,000	0 bps
<u>Buckingham Strategic Partners, LLC<sup>1</sup></u> <ul style="list-style-type: none"> <li>• Buckingham Defensive DFA Model</li> <li>• Buckingham Conservative DFA Model</li> <li>• Buckingham Balanced DFA Model</li> <li>• Buckingham Moderate DFA Model</li> <li>• Buckingham Moderate Growth DFA Model</li> <li>• Buckingham Capital Appreciation DFA Model</li> <li>• Buckingham Equity DFA Model</li> </ul>	\$25,000	25 bps

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<sup>1</sup> Buckingham Strategic Partners, LLC doing business as Loring Ward Securities

<u>Morningstar Investment Services, Inc.</u> <ul style="list-style-type: none"> <li>• Aggressive Growth MF Model</li> <li>• Growth MF Model</li> <li>• Moderate Growth MF Model</li> <li>• Income &amp; Growth MF Model</li> <li>• Conservative MF Model</li> <li>• Retirement Income Long Range</li> <li>• Retirement Income Mid Range</li> <li>• Retirement Income Short Range</li> <li>• Retirement Income Ultra-Short Range</li> </ul>	\$10,000	0 bps
<u>Morningstar Investment Services, Inc.</u> <ul style="list-style-type: none"> <li>• Aggressive Growth ETF Model</li> <li>• Growth ETF Model</li> <li>• Moderate Growth ETF Model</li> <li>• Income &amp; Growth ETF Model</li> <li>• Conservative ETF Model</li> </ul>	\$25,000	20 bps
<u>Natixis Advisors, L.P.</u> <ul style="list-style-type: none"> <li>• Risk-Efficient Conservative Model</li> <li>• Risk-Efficient Moderate Model</li> <li>• Risk-Efficient Growth Model</li> </ul>	\$25,000	0 bps



<u>New Frontier Advisors, LLC</u> <ul style="list-style-type: none"> <li>• New Frontier ETF Global Income</li> <li>• New Frontier ETF Global Balanced Income</li> <li>• New Frontier ETF Global Balanced</li> <li>• New Frontier ETF Global Balanced Growth</li> <li>• New Frontier ETF Global Growth</li> <li>• New Frontier ETF Global Equity</li> <li>• New Frontier ETF Global Income (Tax Sensitive)</li> <li>• New Frontier ETF Global Balanced Income (Tax Sensitive)</li> <li>• New Frontier ETF Global Balanced (Tax Sensitive)</li> <li>• New Frontier ETF Global Balanced Growth (Tax Sensitive)</li> <li>• New Frontier ETF Global Growth (Tax Sensitive)</li> <li>• New Frontier ETF Global Equity (Tax Sensitive)</li> </ul>	\$50,000	25 bps
<u>New Frontier Advisors, LLC</u> <ul style="list-style-type: none"> <li>• New Frontier ETF Multi-Asset Income Conservative</li> <li>• New Frontier ETF Multi-Asset Income Balanced</li> <li>• New Frontier ETF Multi-Asset Income Growth</li> </ul>	\$50,000	35 bps

<u>Pacific Income Management Company, LLC</u> <ul style="list-style-type: none"> <li>• PIMCO Tax Aware Fixed Income ETF Portfolio Capital Preservation</li> <li>• PIMCO Tax Aware Fixed Income ETF Portfolio Enhanced Core</li> <li>• PIMCO Tax Aware Fixed Income MF Portfolio Capital Preservation</li> <li>• PIMCO Tax Aware Fixed Income MF Portfolio Enhanced Core</li> <li>• PIMCO Tax Aware Fixed Income MF Portfolio Income Focus</li> <li>• PIMCO Taxable Fixed Income ETF Portfolio Capital Preservation</li> <li>• PIMCO Taxable Fixed Income ETF Portfolio Enhanced Core</li> <li>• PIMCO Taxable Fixed Income MF Portfolio Capital Preservation</li> <li>• PIMCO Taxable Fixed Income MF Portfolio Enhanced Core</li> <li>• PIMCO Taxable Fixed Income MF Portfolio Income Focus</li> </ul>	\$25,000	0 bps
<u>Russell Investments</u> <ul style="list-style-type: none"> <li>• Conservative Model Strategy</li> <li>• Moderate Model Strategy</li> <li>• Moderate Growth Model Strategy</li> <li>• Balanced Model Strategy</li> <li>• Balanced Growth Model Strategy</li> <li>• Growth Model Strategy</li> <li>• Equity Growth Model Strategy</li> <li>• Tax-Managed Conservative Model Strategy</li> <li>• Tax-Managed Moderate Model Strategy</li> <li>• Tax-Managed Moderate Growth Model Strategy</li> <li>• Tax-Managed Balanced Model Strategy</li> <li>• Tax-Managed Balanced Growth Model Strategy</li> <li>• Tax-Managed Growth Model Strategy</li> <li>• Tax-Managed Equity Growth Model Strategy</li> </ul>	\$10,000*	0 bps

<u>Russell Investments</u> <ul style="list-style-type: none"> <li>• Hybrid Conservative Model Strategy</li> <li>• Hybrid Moderate Model Strategy</li> <li>• Hybrid Moderate Growth Model Strategy</li> <li>• Hybrid Balanced Model Strategy</li> <li>• Hybrid Balanced Growth Model Strategy</li> <li>• Hybrid Growth Model Strategy</li> <li>• Hybrid Equity Growth Model Strategy</li> </ul>	\$25,000	0 bps
<u>Vanguard Advisers, Inc.</u> <ul style="list-style-type: none"> <li>• CRSP 100% Fixed Income</li> <li>• CRSP 10% Equity/90% Fixed Income</li> <li>• CRSP 20% Equity/ 80% Fixed Income</li> <li>• CRSP 30% Equity/ 70% Fixed Income</li> <li>• CRSP 40% Equity/ 60% Fixed Income</li> <li>• CRSP 50% Equity/ 50% Fixed Income</li> <li>• CRSP 60% Equity/ 40% Fixed Income</li> <li>• CRSP 70% Equity/ 30% Fixed Income</li> <li>• CRSP 80% Equity/ 20% Fixed Income</li> <li>• CRSP 90% Equity/ 10% Fixed Income</li> <li>• CRSP 100% Equity</li> </ul>	\$10,000*	0 bps

\*Prior to August 22, 2016, the minimum initial investment was \$25,000.

## **EXHIBIT B**

### **Risks Associated with Certain Investments**

Despite the analysis undertaken by Lockwood, it is important to remember that all investments carry some degree of risk. Risk may include loss of some, or even all, of your investment. No particular type of investment, or approach to investing, is guaranteed to perform well, and there may be other investment vehicles, Sub-Advisers, Portfolio Managers or approaches not offered by Lockwood that may perform as well or better. You should consider these factors carefully before deciding to invest. The risks associated with certain investments are described below.

#### *Absolute Return Strategies*

Absolute return strategies use a variety of investment strategies, including long and short positions, in an effort to produce absolute (positive) returns regardless of general market conditions. Absolute return strategies may be invested in a variety of traditional and alternative asset classes. Absolute return strategies generally do not attempt to keep the portfolio structure or the fund's performance consistent with any designated stock, bond or market index, and during times of market rallies, absolute strategy funds may not perform as well as other funds that seek to outperform an index return. Because a significant portion of an absolute strategy fund's assets may be invested in a particular geographic region or country, the value of the fund's assets may fluctuate more than a fund with less exposure to such areas.

#### *Alternative Investments, Derivatives, and the Use of Leverage*

Alternative investments and derivatives, are often more volatile than other investments and may magnify the vehicle's gains and losses. A derivative is a security or contract (futures, options etc.) the value of which fluctuates with the value of another security (i.e., its value is "derived" from the value of another). An example would be a call option on a stock. The value of the option depends, in part, on the price of the stock. An investment vehicle that uses derivatives could be negatively affected if the change in market value of its securities fails to correspond as expected to the underlying securities. You should have a long-term investment horizon if you are considering these types of investments.

Alternative investment products are not for everyone and entail risks that are different from more traditional investments. Alternative investment strategies are intended for sophisticated investors and involve a high degree of risk, including, among other things, the risks inherent in investing in securities and derivatives, using leverage, and engaging in short sales. An investment in an alternative investment product or strategy is speculative and should not constitute a complete investment program. Diversification and strategic asset allocation do not assure a profit or protect against loss in declining markets.

The use of derivative instruments may involve leverage. Leverage is the risk associated with securities or practices that multiply small index, market or asset price movements into larger changes in value. Leverage may cause the fund to be more volatile than if it had not been leveraged, as certain types of leverage may exaggerate the effect of any increase or decrease in

the value of the fund's portfolio securities. The loss on leveraged transactions may substantially exceed the initial investment.

The potential for a commodity investment vehicle to use derivative instruments, such as futures, options, and swap agreements, to achieve its investment objective may create additional risks that would not be present in the underlying securities themselves, thus raising the potential for greater investment loss.

### *Closed-End Funds*

Portfolios that invest in closed-end funds are subject to general market risk and, depending on the investment policy of a particular fund and the types of securities in which a fund invests, may also be subject to issuer, credit, interest rate, prepayment, inflation, liquidity, political, currency, and leverage risk. Shares of closed-end funds trade in the stock market based on investor demand; therefore, shares may trade at a price higher or lower than the market value of a fund's total net assets. For a complete discussion of the risks for a particular closed-end fund, investors should refer to the fund's prospectus.

### *Commodities*

Commodities are assets that have tangible properties, such as oil, metals and agricultural products. Funds that invest in commodities and commodity-linked securities may be affected by overall market movements, changes in interest rates and other factors, such as weather, disease, embargoes, and international economic and political developments, as well as the trading activity of speculators and arbitrageurs in the underlying commodities. Funds that invest in commodities or commodity-linked securities may not be suitable for all investors. The potential for a commodity-linked security to use derivative instruments, such as futures, options and swap agreements, to achieve its investment objective may create additional risks that would not be present in the underlying securities themselves, thus raising the potential for greater investment loss.

### *Concentration Risk*

Where a pooled vehicle's underlying index or portfolio is concentrated in the securities of a particular market, country, industry, sector or asset class, the vehicle may be adversely affected by the performance of those securities, subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting that particular market, country, industry, sector or asset class.

### *Convertible Arbitrage Strategies*

Funds that employ convertible arbitrage strategies seek to generate income by purchasing convertible securities and then selling short the securities' underlying stock. Investing in convertible securities involves risks, including the risk that the company issuing the debt security will be unable to repay principal and interest (default risk) and the risk that the debt security will decline in value if interest rates rise (interest rate risk). Convertible securities are subject to price fluctuations and may gain or lose value if sold prior to maturity. A majority of convertible securities trade on the over-the-counter market, which may make them more illiquid than other

investments. Short selling involves significant risk, as an increase in the value of borrowed securities between the date of the short sale and date the borrowed security is replaced may expose the fund to unlimited loss.

### *Convertible Securities*

Investments in convertible securities are subject to price fluctuation and may gain or lose value if sold prior to maturity. A majority of convertible securities trade on the over-the-counter market, which may make them more illiquid than other securities.

### *Corporate Fixed Income*

Investments in corporate fixed income securities are subject to a number of risks, including the possibility of issuer default, credit risk, market risk and call risk.

### *Covered Calls*

Funds that engage in the selling (or writing) of covered calls may involve a high degree of risk and may not be suitable for all investors. For a call option that is sold (written), if that option is exercised, the upside potential is limited to the premium received plus the difference between its stock price and the stock purchase price. If the option is not exercised and expires out-of-the-money and with no value, the upside potential is any gain in share value plus the premium received. On the downside, limited protection is provided by the premium received from the call's sale. The loss potential may be substantial and is limited only by the stock declining to zero. Investors should read and understand the risks associated with options prior to engaging in any covered call strategy.

### *Currency Carry Strategies*

Funds that employ currency carry strategies seek to benefit from changes in the relative valuations of one currency to another currency, primarily through the buying and selling of over-the-counter (OTC) derivatives, such as currency spot, forward and non-deliverable forward contracts. This strategy may involve significant risk, as there is no exchange on which to trade over-the-counter derivatives and no standardization of contracts, which may make it difficult or impossible to value or liquidate an open position. The relationship between different currencies may be highly volatile, and transactions involving foreign currencies may entail risks not common to investments denominated entirely in a person's domestic currency. Such risks include the risks of political or economic policy changes in the foreign nation; the stability of foreign governments, banking systems and economies; the performance of global stock markets; interest rate levels; inflation; and any other conditions that may substantially and permanently alter the conditions, terms, marketability or price of a foreign currency. The market for some currencies may, at times, experience low trading volume and become illiquid, thus subjecting the fund to added risk, including the potential for substantial loss.

### *Emerging Markets*

Emerging markets tend to be more volatile and less liquid than the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable

political systems than those of developed countries. The securities of issuers located or doing substantial business in emerging markets are often subject to rapid and large changes in price. In particular, emerging markets may have relatively unstable governments, present the risk of sudden adverse government or regulatory action and even nationalization of businesses restrictions on foreign ownership on prohibitions of repatriation of assets, and may have less protection of property rights than more developed countries. The economies of emerging market countries may be based predominantly on only a few industries and may be highly vulnerable to changes in local or global trade conditions, and may suffer from extreme debt burdens or volatile inflation rates. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of substantial holdings difficult. Transaction settlement and dividend collection procedures also may be less reliable in emerging markets than in developed markets.

### *Environmental, Social and Governance and Socially Responsible Investing Strategies*

Investing on the basis of environmental, social and governance and socially responsible investing (collectively referred to as “ESG”) criteria involves qualitative and subjective analysis. There is no guarantee that the determinations made will align with the beliefs or values of a particular investor. Investments identified by an ESG policy may not operate as expected, and adhering to an ESG policy may result in missed opportunities. You can expect that ESG considerations will result in investment selections that differ from investment selections that would be made in the absence of ESG considerations. As such, the performance of such investments is likely to differ as well. ESG criteria used by third-party providers can differ significantly, and data can vary across providers and within the same industry for the same provider. In addition, there are significant differences in interpretations of what it means for an investment to have positive ESG characteristics. ESG portfolio decisions may differ with other investors’ or advisers’ views.

Investments in “green” bonds include bonds whose proceeds are used principally for climate mitigation, climate adaptation or other environmentally beneficial projects, such as, but not limited to, the development of clean, sustainable or renewable energy sources, commercial and industrial energy efficiency, or conservation of natural resources. A fund that invests in green bonds, under certain market conditions, may underperform as compared to funds that invest in a broader range of investments. In addition, some green bonds may be dependent on government tax incentives and subsidies as well as political support for certain environmental technologies and companies. Investing primarily in green bonds may affect a fund’s exposure to certain sectors or types of investments and could impact the fund’s relative investment performance depending on whether such sectors and/or investments are in or out of favor in the market. The green bond sector may also have challenges such as a limited number of issuers, limited liquidity in the market and limited supply of bonds that merit “green” status, each of which may adversely affect a fund that primarily invests in green bonds.

### *Equity Securities*

Equity securities (*i.e.*, stocks), as well as portfolios that invest in equity securities, are subject to several general risks, including the risk that the financial condition of the issuer may become impaired or the general condition of the stock market may deteriorate, either of which may cause a decrease in the value of the issuer’s securities. Equity securities are susceptible to general stock

market fluctuations and to sudden, significant and prolonged increases and decreases in value as market confidence in and perceptions of the security's issuer change. These perceptions are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction, and global or regional political, economic, and banking crises. There can be no assurance that an issuer will pay dividends on outstanding shares of its common stock, as the payment of dividends will generally depend upon various factors, including the financial condition of the issuer and general economic conditions. Holders of common stocks of any given issuer will generally incur more risk than holders of preferred stocks and debt obligations of the same issuer because common stockholders, as owners of the issuer, generally have subordinated rights to receive payments from such issuer in comparison with the rights of creditors or holders of the issuer's debt obligations or preferred stocks. The existence of a liquid trading market for certain equity securities may depend on whether dealers will make a market in such securities. There can be no assurance that a market will be made for any securities, that any market for the securities will be maintained, or that any such market will be or remain liquid. The price at which an equity security may be sold will be adversely affected if trading markets for the security are limited or absent.

### *Exchange-Traded Products*

Exchange-Traded Products ("ETPs") are pooled vehicles that derive their value from instruments such as stocks, bonds, commodities, or currencies, and trade intra-day on a national securities exchange. Generally, ETPs are established as either Exchange-Traded Funds ("ETFs") or Exchange-Traded Notes ("ETNs"); for more information about the structure and features of securities themselves, please see their respective descriptions in this section.

In addition to the risks borne by all pooled vehicles such as management risk, concentration risk and non-diversification risk, there are special risks associated with ETPs, such as:

- **Costs of Buying and Selling ETP Shares.** When buying and selling ETP shares through a broker, an investor will incur brokerage commissions or other charges imposed by the broker. An investor also will incur the cost of the "spread" between the bid and ask prices of the ETP shares. Frequent trading in ETP shares may, therefore, adversely affect the investment performance of an ETP investment through these costs. Such costs also may make regular small investments in ETP shares inadvisable.

The stated Fees for the Products do not include fees or expenses that may be associated with individual ETPs, including, but not limited to, the ETP sponsor fee, the trustee fee, ETP custodian's fee, stock exchange listing fees, SEC registration fees, printing and mailing costs, audit fees, legal fees, licensing fees, marketing expenses and other operating expenses. For more information on these expenses, refer to the ETP's prospectus.

- **Derivatives Risk.** As stated previously, derivative investments are often more volatile than other investments and may magnify an ETP's gains and losses. An ETP that invests a portion of its assets in derivatives, such as futures and options contracts, is subject to additional risks that it would not be subject to if it invested directly in the securities



underlying those derivatives. The risks associated with an ETP's use of futures and options contracts include:

- losses that exceed those experienced by funds that do not use futures contracts and options;
- changes in the market value of the securities held by the ETP that are uncorrelated to the prices of futures and options on futures;
- secondary market illiquidity, which may prevent the ETP from closing out its futures contracts at a time which is advantageous;
- trading restrictions or limitations imposed by an exchange or other market and government regulations; and
- speculative risk because option premiums paid or received by the ETP are small in relation to the market value of the investments underlying the options.

Where the price of an options or futures contract declines more than the trading limits established by an exchange, trading on that exchange is halted on that instrument. If a trading halt occurs, the ETP may be temporarily unable to purchase or sell those options or futures contracts. If a trading halt occurs near the time the ETP prices its shares, it could limit the ETP's ability to employ leverage and thereby prevent the ETP from achieving its investment objective. In such cases, the ETP also may be required to use a "fair value" method to price its outstanding contracts.

Depending on the specific ETP's investment objective and strategy, certain ETPs may invest a significant portion of their assets in derivatives.

- **ETP Risk.** By investing in ETPs, the owner does not have certain rights that investors in the underlying index or the underlying index components may have, such as stock voting rights. Upon sale or redemption of the ETP shares, the owner will be paid cash, and will have no right to receive delivery of any of the underlying index components or commodities or other assets underlying the index components.
- **Leverage Risk.** As stated previously, the more an ETP invests in leveraged derivative instruments, the more this leverage will exaggerate the effect of any increase or decrease in the value of those investments. For leveraged index-based ETPs, the value of the ETP's shares will often increase or decrease more than the value of any increase or decrease in its underlying index. Leverage will also magnify tracking error risk (see below).
- **Liquidity Risk.** In certain circumstances, it may be difficult for an ETP to purchase and sell particular investments within a reasonable time at a fair price, which may reduce the ETP's returns. To the extent that there is not an established retail market for instruments in which the ETP may invest, trading in such instruments may be relatively inactive. In addition, during periods of reduced market liquidity or in the absence of readily available market quotations for particular investments in the ETP's portfolio, the ability of the ETP

to assign an accurate daily value to these investments may be difficult and the investment advisor may be required to fair value the investments. Alternative and Specialty ETPs or ETPs that seek exposure to small-capitalization companies may be subject to liquidity risk to a greater extent than other ETPs.

- **Market Risk.** An ETP is exposed to the economic, political, currency, legal and other risks of a specific sector, industry, region or market related to the underlying securities and/or index that the ETP is tracking.
- **Tracking Error Risk.** This refers to the disparity between the performance of the ETP (as measured by its NAV) and the performance of the underlying index on either a daily or aggregate basis. Tracking error may arise due to:
  - failure of the ETP's tracking strategy,
  - the impact of fees and expenses,
  - foreign exchange differences between the base currency or trading currency of an ETP and the currencies of the underlying investments, or
  - corporate actions such as rights and bonus issues by the issuers of the ETP 's underlying securities.

Mathematical compounding may prevent leveraged and inverse ETPs that seek to track the performance of their underlying indices or benchmarks on a daily basis from correlating with the monthly, quarterly, annual or other period performance of their benchmarks. Factors such as ETP expenses, imperfect correlation between the ETP's investments and those of its underlying index, rounding of share prices, changes to the composition of the underlying index, regulatory policies, high portfolio turnover rate, and the use of leverage all contribute to tracking error. Investing in ETPs is not equivalent to a direct investment in an index or index components. Depending on its particular strategy, an ETP may not hold all the constituent securities of an underlying index in the same weightings as the constituent securities of the index, or may hold securities other than the constituent securities of the underlying index. Therefore, the performance of the securities underlying the ETP as measured by its NAV may outperform or underperform the index, perhaps significantly.

- **Trading at Prices Other than NAV.** ETP shares may trade below or above their NAV. The NAV of ETP shares will fluctuate with changes in the market value of the ETP's portfolio holdings. The trading prices of ETP shares will fluctuate in accordance with changes in NAV as well as market supply and demand. The trading price of ETPs may deviate significantly from NAV during periods of market volatility. The investment manager cannot predict whether ETPs will trade below, at, or above their NAV. Price differences may be due, in large part, to the fact that supply and demand forces at work in

the secondary trading market for ETPs will be closely related to, but not identical to, the same forces influencing the prices of the securities held by an ETP.

- **Trading Risk.** Although an ETP's shares are listed on a national securities exchange, there can be no assurance that an active or liquid trading market for the ETP's shares will develop or be maintained. Trading in ETPs on an Exchange may be halted due to market conditions or for reasons that, in the view of the Exchange, make trading in ETPs inadvisable. Trading in ETPs on the Exchange is subject to trading halts caused by extraordinary market volatility pursuant to the Exchange "circuit breaker" rules. There can be no assurance that the requirements of the Exchange necessary to maintain the listing of the ETF will continue to be met or will remain unchanged.

### *Exchange-Traded Funds*

Exchange-Traded Funds ("ETFs") are ETPs that derive their value from instruments such as stocks, bonds, commodities, or currencies, and trade intra-day on a national securities exchange. Generally, these are established as either open-end investment companies or unit investment trusts ("UITs"). For risks related to ETPs, please see above.

Certain ETFs may have elected to be treated as partnerships for federal, state and local income tax purposes. Accordingly, if you own one of these ETFs, you will be taxed as a beneficial owner of an interest in a partnership. Tax information for such ETFs will be reported to you on an IRS Schedule K-1. You should consult your tax advisor in determining the tax consequences of any investment, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

### *Exchange-Traded Notes*

Exchange-Traded Notes ("ETNs") are ETPs that are a type of senior, unsecured, unsubordinated debt security of the issuing company. This type of debt security differs from other types of bonds and notes because ETN returns are based upon the performance of a market index minus applicable fees, no periodic coupon payments are distributed and no principal protection exists. Similar to ETFs, ETNs are generally traded on a securities exchange. Investors can also hold the debt security until maturity. At that time, the issuer is obligated to give the investor a cash amount that would be equal to the principal amount times the applicable index factor less investor fees. The index factor on any given day is a mathematical equation equal to the closing value of the underlying index on that day divided by the initial index level. The initial index level is the closing value of the underlying index on the creation/inception date of the note.

One significant risk factor that affects an ETN's value is the credit of the issuer. ETNs are synthetic investment products that do not represent ownership of the securities of the indices they track, and are backed only by the issuer's credit. The value of the ETN may drop despite no change in the underlying index due to the adverse change in issuer's creditworthiness or in perceptions of the issuer's creditworthiness.

For additional risks related to ETPs, please see above.

### *Fixed Income*

Portfolios that invest in fixed income securities are subject to several general risks, including interest rate risk, credit risk, the risk of issuer default, liquidity risk and market risk. These risks can affect a security's price and yield to varying degrees, depending upon the nature of the instrument, and may occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in the financial markets. In general, a bond's yield is inversely related to its price. Bonds can lose their value as interest rates rise and an investor can lose principal. If sold prior to maturity, fixed income securities are subject to gains/losses based on the level of interest rates, market conditions and the credit quality of the issuer.

### *Bank Loans*

Investment vehicles may include mutual funds and/or ETFs that invest in floating rate loans (a.k.a. bank loans), which are subject to risks similar to those of below investment grade securities. The value of the collateral securing the loan may decline, causing a loan to be substantially unsecured. In addition, the sale and purchase of a bank loan are subject to the requirements of the underlying credit agreement governing such bank loan. These requirements may limit the eligible pool of potential bank loan holders by placing conditions or restriction on sales and purchases of bank loans. Bank loans are not traded on an exchange and purchasers and sellers of bank loans rely on market makers, usually the administrative agent for a particular bank loan, to trade bank loans. These factors, in addition to overall market volatility, may negatively impact the liquidity of loans. Difficulty in selling a floating rate loan may result in a loss. Borrowers may pay back principal before the scheduled due date when interest rates decline, which may require the mutual fund or ETF to replace a particular loan with a lower-yielding security. There may be less public information available with respect to loans than for rated, registered or exchange listed securities. The mutual fund or ETF may assume the credit risk of the administrative agent in addition to the borrower, and investments in loan assignments may involve the risks of being a lender.

### *Equity Options*

Funds may employ the use of equity options. Positions in equity options can reduce equity market risk, but can limit the opportunity to profit from an increase in the market value of stocks in exchange for upfront cash at the time of selling the call option. Unusual market conditions or the lack of a ready market for any particular option at a specific time may reduce the effectiveness of option strategies and could result in losses. In addition to the product prospectus, investors should read and understand the risks associated with options prior to engaging in any option strategy.

### *Foreign Investments*

Foreign investments are subject to risks not ordinarily associated with domestic investments, such as currency, economic, and political risks, and may follow different accounting standards than domestic investments.

### *GNMA Securities*

Investments in GNMA securities involve fluctuation due to changing interest rates or other market conditions. Investors may experience a gain or loss due to prepayment of obligations and may receive back part of their investment before redemption.

### *Gold Bullion*

Investment vehicles may invest in gold bullion. The price of gold has fluctuated widely over the past several years. Several factors affect the price of gold, including: global supply and demand; global or regional political, economic or financial events and situations; investors' expectations with respect to the rate of inflation; currency exchange rates and interest rates. There is no assurance that gold will maintain its long-term value in terms of purchasing power in the future.

### *Government Agency Securities*

Investments in U.S. government agency securities involve fluctuation due to changing interest rates or other market conditions. Investors may experience a gain or loss due to prepayment of obligations and may receive back part of their investment before redemption.

### *Health Sciences*

Portfolios may include mutual funds and/or ETFs that invest in health sciences companies, which are subject to a number of risks, including the adverse impact of legislative actions and government regulations. These actions and regulations can affect the approval process for patents, medical devices and drugs, the funding of research and medical care programs, and the operation and licensing of facilities and personnel. The goods and services of health sciences companies are subject to risks of rapid technological change and obsolescence, product liability litigation, and intense price and other competitive pressures.

### *High Yield Bonds*

High yield ("junk") bonds involve greater credit risk, including the risk of default, than investment grade bonds, and are considered predominantly speculative with respect to the issuer's ability to make principal and interest payments. The prices of high yield bonds can fall dramatically in response to bad news about the issuer or its industry, or the economy in general.

### *Inflation-Indexed Bonds*

Inflation-indexed bonds are subject to a variety of risks including interest rate, credit, and inflation risk.

### *Infrastructure Securities*

Portfolios that invest in infrastructure-related companies may be more susceptible to developments affecting countries' infrastructure than a more broadly diversified fund would be and may perform poorly during a downturn in one or more industries related to infrastructure. Infrastructure-related companies can be negatively affected by adverse economic and political

developments, as well as changes in regulations, environmental problems, casualty losses and increases in interest rates.

#### *Intermediate- and Long-Term Fixed Income*

Investments in intermediate- and long-term fixed income securities involve interest rate risk and inflation risk, which could reduce the value or real return of an investment should interest rates rise.

#### *International Equity Small-Cap*

Investments in international equity small-cap securities involve additional risks, including foreign currency risk, political instability, foreign legal and accounting practices, increased volatility, and reduced liquidity often associated with securities of smaller companies.

#### *Liquidity Risk*

Liquidity risk increases when particular investments are difficult to purchase or sell. Some assets held in a portfolio may be impossible or difficult to sell, particularly during times of market turmoil. A lack of liquidity also may cause the value of investments to decline. Illiquid investments may be harder to value, especially in changing markets. Typically liquid investments may become illiquid, particularly during periods of market turmoil. When illiquid assets must be sold in such market conditions (to meet redemption requests or other cash needs for example), it may be necessary to sell such assets at a loss.

#### *Long Short Positions*

The use of long and short positions, may involve risks different from those normally associated with other types of investment vehicles, such as mutual funds. It is possible that the fund's long positions will decline in value at the same time that the value of the securities sold short increases, thus raising the potential for greater investment loss. Market neutral investing, in using long and short positions, provides no guarantee that it will be successful in limiting the fund's exposure to domestic stock market movements, capitalization, sector swings or other risk factors. Investment in a strategy involved in long and short selling may have higher portfolio turnover rates, which may result in additional tax consequences. Short selling involves certain risks, including additional costs associated with covering short positions and a possibility of unlimited loss on certain short sale positions.

#### *Managed Futures*

Funds that employ managed futures strategies typically utilize derivatives, such as futures, options, structured notes and swap agreements, which provide exposure to the price movements of a commodity (*i.e.*, oil, grain, livestock) or a financial instrument (*i.e.*, currency, index). This may expose the fund to additional risks that would not be present had the fund invested directly in the securities underlying those derivatives. Funds that invest in commodity-linked derivatives may be subject to greater volatility, as the value of those derivatives may be affected by overall market movements, changes in interest rates and other factors such as weather, disease, embargoes and international economic and political developments, as well as the trading activity

of speculators and arbitrageurs in the underlying commodities. This strategy may cause the fund to invest a significant portion of assets in the securities of a single issuer. Changes in the market value of the issuer's securities may result in greater volatility than would otherwise occur in a more diversified mutual fund, thus increasing the potential for greater investment loss. Funds that employ managed futures strategies may purchase shares of other pooled investments, such as ETFs. In addition to its own expenses, the fund will also bear a portion of the ETF's expenses, which may negatively impact performance. A highly liquid secondary market may not exist for certain derivatives utilized by this strategy, and there can be no assurances that one will develop.

### *Management Risk.*

Management risk is the risk that the investment adviser's investment strategies are not successful in achieving a pooled vehicle's investment objective.

### *Market Neutral Strategies*

Funds that employ market neutral or arbitrage strategies (including merger arbitrage, convertible arbitrage, credit arbitrage, dual class arbitrage, as well as other arbitrage strategies), in using long and short positions, provide no guarantee that they will be successful in limiting a portfolio's exposure to domestic stock and/or fixed income market movements, capitalization, sector swings or other risk factors. Investment in a strategy involving long and short selling may have higher portfolio turnover rates, which may result in additional tax consequences. Short selling involves certain risks, including additional costs associated with covering short positions and a possibility of unlimited loss on certain short sale positions. Funds within the portfolios may employ the use of long and short positions, which may involve risks different from those normally associated with a long-only strategy. It is possible that a fund's long positions will decline in value at the same time that the value of the securities sold short increases, thus raising the potential for greater investment loss. Funds classified within this category may also at times participate in "price pressure" trades, credit or distressed investments (short-term debt, distressed securities, bonds and corporate loans), SPACs (Special Purpose Acquisition Corporations), PIPEs (Private Investments in Public Equities), IPOs (Initial Public Offerings), SEOs (Seasoned Equity Offerings), warrants and spin-offs. Each strategy carries its own unique risks, which are more fully explained in the applicable product prospectus. Please read the prospectus carefully before investing.

### *Merger Arbitrage Strategies*

Funds that employ merger arbitrage strategies seek to capitalize on "event"-driven situations, such as announced mergers, acquisitions and reorganizations, by purchasing the securities of companies that have agreed to be acquired by another company. This strategy involves risks, including the risk that the merger or similar transaction will not occur, will be renegotiated at a less attractive price or may take longer than expected to be completed, which may cause the price of the company's securities to decline significantly. Funds that employ merger arbitrage strategies may experience significant portfolio turnover, generally resulting in additional transaction costs that may negatively impact fund performance. Funds may also invest in the securities of a limited number of companies whereby a decline in the value of any one security

may have a greater impact on a fund's share price. This may result in increased volatility over a more diversified fund and the potential for greater investment loss.

### *Master Limited Partnerships*

Master Limited Partnerships ("MLPs") are subject to certain risks, including limited control and limited rights to vote on matters affecting the partnership. In addition, conflicts may exist between common unit holders, subordinated unit holders, and the general partner of an MLP, including conflicts arising as a result of incentive distribution payments. Unit holders in MLPs will receive an Internal Revenue Service ("IRS") Schedule K-1 from the MLP, and information about the MLP will not be included in any Form 1099 received from the custodian. In addition, investors may need to file with the IRS for an extension to file their tax returns due to the timing of the issuance and mailing of the Schedule K-1 by the MLP. Unit holders of MLPs may be subject to complex tax requirements and such tax features may not be suitable for certain investors. Investors should consult with their tax advisors prior to investing in MLPs.

### *Micro-Cap Securities*

Micro-cap stocks may offer greater opportunity for capital appreciation than the stocks of larger and more established companies; however, they also involve substantially greater risks of loss and price fluctuations. Micro-cap companies carry additional risks because their earnings and revenues tend to be less predictable (and some companies may be experiencing significant losses), and their share prices tend to be more volatile and their markets less liquid than companies with larger market capitalizations. Micro-cap companies may be newly formed or in the early stages of development, with limited product lines, markets or financial resources, and may lack management depth. In addition, there may be less public information available about these companies. The shares of micro-cap companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and the ability to sell these securities. In addition, it may take a long time before the value of your investment realizes a gain, if any, on an investment in a micro-cap company.

### *Mortgage-and Asset-Backed Securities*

Investments in mortgage-and/or asset-backed securities involve risk, including the risk of prepayment, which may affect the overall return of the investment. Only select deposit products and investments are guaranteed by the Federal Deposit Insurance Corporation (FDIC), and the credit quality of a particular security or group of securities does not ensure the stability or safety of the overall portfolio.

### *Multi-Sector Fixed Income Strategies*

Investments that employ multi-sector bond strategies seek income by diversifying across multiple fixed income sectors including, but not limited to, U.S. government securities, corporate bonds, non-U.S. fixed income securities and high yield bonds. Each fixed income sector carries its own unique risks.



### *Municipal Bonds*

An investment in any municipal portfolio should be made with an understanding of the risks involved in investing in municipal bonds, such as interest rate risk, credit risk and market risk, including the possible loss of principal. Please contact your tax advisor regarding the impact of tax-exempt investments in your portfolio. If sold prior to maturity, municipal securities are subject to gains/losses based on the level of interest rates, market conditions and the credit quality of the issuer.

### *Mutual Funds*

There is a risk that a mutual fund will not achieve its investment objective or execute its investment strategies effectively, or that large purchase or redemption activity by shareholders of such mutual fund might negatively affect the value of the mutual fund's shares. Clients will pay their pro rata portion of the fees and expenses of any mutual fund in which they invest. The Program Fees do not include fees or expenses, which may be associated with individual mutual funds, including, but not limited to, redemption fees, 12b-1 fees, other fund expenses or other applicable regulatory fees. Lockwood's affiliates, including Pershing and Pershing Advisor Solutions, will receive fees from the mutual funds held in your account. Please refer to each mutual fund's prospectus for more information about the specific investment risks associated with each mutual fund.

### *Non-Diversification Risk*

Pooled vehicles, such as ETPs and mutual funds, may be diversified or non-diversified depending on their investment objectives and portfolio holdings. Pooled vehicles that are non-diversified may invest in the securities of a limited number of issuers. To the extent that a pooled vehicle invests a significant percentage of its assets in a limited number of issuers, the vehicle is subject to the risks of investing in those few issuers, and may be more susceptible to a single adverse economic or regulatory occurrence. As a result, changes in the market value of a single security could cause greater fluctuations in the value of the pooled vehicle's shares than would occur in a diversified pooled vehicle.

### *Non-U.S. Fixed Income*

Investments in non-U.S. fixed income securities involve additional risk, including interest rate risk, credit risk and market risk, which could reduce the yield that you receive from your portfolio. These are in addition to the risks associated with all fixed income securities, including interest rate risk, market risk and the possibility of issuer default.

### *Preferred Securities*

Preferred securities are subject to certain risks, including interest rate risk, where a rise in interest rates may cause the value of preferred shares to decline significantly. Dividend payments are not guaranteed, and an issuer's decision to decrease or suspend dividend payments may adversely affect the value of its preferred shares. Redemption of shares due to maturity, conversion or call features may decrease the overall yield of the portfolio.

### *Real Estate Investment Trusts*

Investments in Real Estate Investment Trusts (“REITs”) are subject to many of the risks associated with direct real estate ownership and, as such, may be adversely affected by declines in real estate values and general and local economic conditions.

### *Short-term Fixed Income Securities*

Short-term fixed income securities are susceptible to fluctuations in interest rates. If interest rates rise, bond prices will decline, despite the lack of change in both coupon and maturity. Price volatility typically increases with the length of the maturity and decreases as the size of the coupon decreases.

### *Small- and/or Mid-Cap Portfolios*

Small and midsize companies carry additional risks because the operating histories of these companies tend to be more limited, their earnings and revenues less predictable (and some companies may be experiencing significant losses), and their share prices more volatile than those of larger, more established companies. The shares of smaller companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and the strategy’s ability to sell these securities. These companies may have limited product lines, markets or financial resources, or may depend on a limited management group. Some of the strategy’s investments will rise and fall based on investor perception rather than economic factors. Other investments are made in anticipation of future products, services or events whose delay or cancellation could cause the stock price to drop.

### *Technology Sector*

Funds that invest in technology-related companies may be negatively impacted by, among other things, intense competition, earnings disappointments, rapid obsolescence of products and services due to technological innovations or changing consumer preferences, issues with obtaining financing or regulatory approvals, product compatibility and high required corporate capital expenditure for research and development or infrastructure and development of new products.

### *Treasury Inflation Protected Securities*

Funds that invest in Treasury Inflation-Protected Securities (“TIPS”) are subject to several general risks, including interest rate risk, credit risk, market risk and inflation-protected securities risk. Interest payments on inflation-protected securities will vary as the principal and/or interest is adjusted for inflation and may be more volatile than interest paid on ordinary fixed income securities.

Investments in TIPS also involve liquidity risk and are subject to specific taxation obligations. TIPS typically set a coupon rate equal to a broad-based inflation index, such as the Consumer Price Index for all Urban Consumers, calculated by the Bureau of Labor Statistics. Unlike other securities, TIPS are generally quoted in the market in terms of real (net of inflation) yields.

### *Treasury Securities*

Investments in intermediate- and long-term Treasury securities involve interest rate risk and inflation risk, which could reduce the value or real return of an investment should interest rates rise.

### *Utility Securities*

Portfolios that invest in the utilities sector can be very volatile because of supply and/or demand for services or fuel, financing costs, conservation efforts, the negative impact of regulation, and other factors. In addition, the value of energy companies may be affected by the levels of volatility of global energy prices, energy supply and demand, capital expenditures on explorations and production, energy conservation efforts, exchange rates and technological advances. Securities issued by utility companies have been historically sensitive to interest rate changes. When interest rates fall, utility securities prices, and thus a utilities fund's share price, tend to rise; when interest rates rise, their prices generally fall.

**EXHIBIT C**

**Lockwood Privacy Policy**

**(BEGINS ON NEXT PAGE)**

**FACTS****WHAT DOES LOCKWOOD ADVISORS, INC. DO WITH YOUR PERSONAL INFORMATION?**

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>▪ Social Security number</li> <li>▪ Account balances and account transactions</li> <li>▪ Assets and transaction history</li> </ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>	
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons <b>Lockwood Advisors, Inc.</b> chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information	Does Lockwood Advisors, Inc. share?	Can you limit this sharing?
For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes—to offer our products and services to you	No	No
For joint marketing with other financial companies	No	No
For our affiliates' everyday business purposes—information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes—information about your creditworthiness	No	No
For our affiliates to market to you	No	No
For non-affiliates to market to you	No	No
Questions?	Call Lockwood Advisors, Inc. at 1-800-200-3033, Option 3	

## Who we are

Who is providing this notice?

**Lockwood Advisors, Inc.** (a subsidiary of The Bank of New York Mellon Corporation)

## What we do

How does **Lockwood Advisors, Inc.** protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

How does **Lockwood Advisors, Inc.** collect my personal information?

We collect your personal information, for example, when you

- Open an account
- Provide account information
- Make deposits or withdrawals from your account
- Use your credit or debit card
- Make a wire transfer

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

Why can't I limit all sharing?

Federal law gives you the right to limit only

- Sharing for affiliates' everyday business purposes—information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

## Definitions

Affiliates

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

- Our affiliates include banks and companies whose names include "The Bank of New York," "BNY," "Mellon," or "Pershing," and other financial companies such as Pershing LLC and Pershing Advisor Solutions, as well as non-financial companies such as Pershing X, Inc. and BNY Mellon Technology Private Limited.

Non-affiliates

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

- **Lockwood Advisors, Inc.** does NOT share information with non-affiliates so they can market to you.

Joint marketing

A formal agreement between non-affiliated financial companies that together market financial products or services to you.

- **Lockwood Advisors, Inc.** does not jointly market.

## Other important information

This notice applies to individual consumers who are customers or former customers. This notice replaces all previous notices of our consumer privacy policy, and may be amended at any time. We will keep you informed of changes or amendments as required by law.

For region-specific privacy notices, please visit Pershing's global privacy notice webpage at <https://www.pershing.com/data-privacy>

## **EXHIBIT D**

### **Lockwood EMEA Privacy Notice**

**(BEGINS ON NEXT PAGE)**

## EMEA Privacy Notice

**The following applies to the collection and processing of personal information relating to individuals in the European Union (EU) and United Kingdom (UK).**

Your personal information will be collected by Pershing LLC, Pershing Advisor Solutions LLC, and Lockwood Advisors Inc., (collectively referred to as “Pershing Group”, “we”, “us”, “our”) and will be used for the following purposes:

- processing that is necessary for the performance of a contract into which you have entered;
- to comply with a legal obligation that we have, for example where we are required to report to tax authorities;
- for regulatory reasons that are in the public interest, for example to prevent and detect financial crime.

Your personal information **will** be shared within The Bank of New York Mellon Corporation and its affiliates (collectively, “BNY Mellon”) where such disclosure is necessary to provide you with our services or to manage our business.

Your personal information **will** be shared with external third parties as described below:

- third parties who help manage our business and deliver services. These third parties have agreed to confidentiality restrictions and use any personal information we share with them or which they collect on our behalf solely for the purpose of providing the contracted service to us. These include IT service providers who help manage our IT and back office systems;
- agencies and organizations working to prevent fraud in financial services;
- regulators and other governmental agencies;
- to comply with applicable laws, regulations and rules, and requests of law enforcement.

Pershing Group may, in the future, sell or otherwise transfer some or all of its assets to a third party. Your personal information, technical information about your device or browser and/or other anonymous information we obtain from you via the websites under the control of BNY Mellon that may be disclosed to any potential or actual third-party purchasers of such assets and/or may be among those assets transferred.

Pershing Group will transfer or store your personal information in other countries, including those outside the European Economic Area, under the protection of appropriate safeguards.

For more information about the collection, use and sharing of your personal information and your legal rights please contact your financial organization (such as your financial adviser, RIA or Broker) in the first instance, or see The Bank of New York Mellon’s full EMEA Privacy Notice which is available at <https://www.bnymellon.com/emea/en/privacy-policy.html> If you still have any queries regarding this notice you can also contact us at [BNYM.Pershing.Privacy@bnymellon.com](mailto:BNYM.Pershing.Privacy@bnymellon.com)

We may share in aggregate, statistical form, non-personal information regarding the visitors to our website, traffic patterns, and website usage with our business partners, affiliates or advertisers.

This notice applies to the EMEA (Europe, Middle East, Africa) region. For all other regions, please visit Pershing’s global privacy notice webpage at <https://www.pershing.com/data-privacy>



**EXHIBIT E**

**Lockwood ERISA 408(b)(2) Disclosure**

**(BEGINS ON NEXT PAGE)**

## **Lockwood Advisors, Inc.**

**1800 American Blvd.  
Suite 300 – Pod D  
Pennington, NJ 08534  
(800) 200-3033, Option 3  
Command Program**

### **Service Provider Compensation Disclosure Statement and Guide to Services and Compensation**

This guide and the materials attached to or included by reference in the guide are being provided in accordance with the United States Department of Labor final regulation under Section 408(b)(2) of the Employee Retirement Income Security Act of 1974 (“ERISA”). The following is a guide to important information that you should consider in connection with the services to be provided by Lockwood Advisors, Inc. (“Lockwood”) to your employee benefit plan that is a “covered plan” under Section 408(b)(2) of ERISA (the “Plan”). As a fiduciary under ERISA (the federal law governing private sector retirement plans) and/or as an investment adviser registered under the Investment Advisers Act of 1940, the regulation requires Lockwood to disclose information regarding direct and indirect compensation that Lockwood reasonably anticipates receiving in connection with its services and to include disclosure if such services are provided as a fiduciary to the Plan. If you have received this disclosure, and are not the responsible Plan fiduciary, please forward this disclosure to the appropriate person.

Lockwood, Pershing Advisor Solutions LLC (“PAS”) and Pershing LLC (“Pershing”) may each provide services to the Plan. Lockwood, Pershing and PAS are affiliated companies, each of which is indirectly owned by The Bank of New York Mellon Corporation.

<b>Required Information</b>	<b>Disclosure/Location</b>
Description of the services that Lockwood provides to the Plan.	<p>Lockwood provides managed account services to the Plan, as described further in the applicable Investment Advisory Profile and Agreement and Terms and Conditions thereto (the “Client Agreement”) and Lockwood’s Form ADV, Part 2A, Firm Brochure (the “Lockwood Brochure”), which documents have been previously provided to you.</p> <p>Lockwood acts as Manager if selected by the Plan in the Client Agreement. This notice covers Lockwood in its role as Manager.</p> <p>As described further in Item 10 and Item 12 of the Lockwood Brochure, Lockwood delegates certain functions and responsibilities to its affiliate, the Managed Accounts division of Pershing (“Managed Accounts”), and compensates Managed Accounts for those services. In addition, clearing and custody services described in the Client Agreement and Item 5 and Item 10 of the Lockwood Brochure may be performed by Lockwood’s affiliate, Pershing, pursuant to the Client Agreement.</p> <p>Brokerage services in Command are provided to the Plan by a third party broker-dealer or PAS, Lockwood’s affiliate, pursuant to a separate brokerage agreement between such broker-dealer and the Plan.</p>

A statement concerning the services that Lockwood provides as an ERISA fiduciary and/or registered investment	Lockwood is an ERISA fiduciary and investment adviser registered under the Investment Advisers Act of 1940, as amended, with regard to the Plan's account.
adviser.	
Compensation Lockwood will receive from the Plan.	<p>The fees the Plan pays to Lockwood and Pershing, including fees payable to Lockwood where Lockwood serves as Manager for the Plan's account, are described in the Client Agreement and Item 5 of the Lockwood Brochure. Lockwood may pay a portion of the fees it receives to Managed Accounts, PAS, and/or Pershing.</p> <p>Lockwood's affiliate, Pershing, may receive other fees not included in the asset based fee or program fee, described in the Lockwood Brochure. More information on these fees paid to Pershing is available from the Plan's investment advisory representative and will be disclosed in the Plan's custodial account statement. As described in the Lockwood Brochure, there are certain circumstances in which Pershing may receive a fee based on the product selected.</p> <p>For more information regarding the fees paid to the Plan's broker-dealer, the Plan should refer to its brokerage agreement with such broker-dealer.</p>
Compensation Lockwood will receive from other parties that are not related to Lockwood ("indirect" compensation).	<p>Lockwood does not receive soft dollar research and brokerage services.</p> <p>Lockwood discloses any sponsorship fees paid or received to or from third parties in Item 10 of the Lockwood Brochure.</p> <p>Indirect compensation that Lockwood's affiliates, Pershing and PAS, may receive is further described in the Lockwood Brochure and Exhibit E hereto.</p>
Compensation Lockwood will receive if the Plan terminates the Client Agreement.	The Client Agreement and Item 5 of the Lockwood Brochure describe fees charged and/or rebated upon the termination of the Plan's account.

## EXHIBIT F

### Compensation Paid to Pershing Advisor Solutions and Pershing by Third Parties

Pershing Advisor Solutions LLC (Pershing Advisor Solutions), as well as its affiliate, Pershing LLC (Pershing) earn additional compensation from certain third parties in connection with providing services to your firm. In addition, Pershing Advisor Solutions may earn additional compensation from certain third parties in connection with providing services to your investment advisor. Certain fees may be considered “indirect compensation” for purposes of the section 408(b) (2) regulation 29 C.F.R. § 2550.408b-2(c) (1) (IV) (C).

**Mutual Fund Fees.** Pershing has entered into agreements with certain mutual fund companies that pay Pershing for performing certain services for the mutual fund. Pursuant to these agreements, Pershing receives fees for operational services from mutual funds in the form of networking or omnibus processing fees. The reimbursements are remitted to Pershing for its work on behalf of the funds. This work may include, but is not limited to, subaccounting services, dividend calculation and posting, accounting, reconciliation, client confirmation and statement preparation and mailing and tax statement preparation and mailing. These reimbursements are based either on (a) a flat fee ranging from \$0 to \$20 per holding or (b) a percentage of assets that can range from 0 to 15 basis points for domestic funds and 0 to 30 basis points for offshore funds. Mutual funds that are available in Pershing’s FundVest® no-transaction fee mutual fund program may pay Pershing servicing fees in exchange for being offered in Pershing’s FundVest program. These payments are based on a percentage of assets and can range from 7 to 40 basis points. Participation by Pershing Advisor Solutions in this program is optional and Pershing Advisor Solutions may share in these fees. For additional details about Pershing’s mutual fund no-transaction-fee program, or a listing of funds that pay Pershing networking or omnibus fees, please refer to

[www.pershing.com/mutual\\_fund.htm](http://www.pershing.com/mutual_fund.htm). The mutual funds listed on this website are listed in order from highest to lowest paying mutual funds based on gross payments made to Pershing. If Pershing Advisor Solutions shares in the fees described above, a portion of these fees may also be shared with certain turnkey asset management providers that provide operational and related services to Pershing Advisor Solutions, for both Employee Retirement Income Security Act (ERISA) and non-ERISA accounts administered within the providers’ programs.

**Money Fund and FDIC-Insured Bank Product Fees.** Pershing has entered into agreements with money market fund companies and FDIC-insured bank deposit products service providers. Pershing receives fees from money fund companies and service providers for making available money market funds and FDIC-insured bank deposit programs. A portion of Pershing’s fees is applied against costs associated with providing services on behalf of the fund companies and service providers, which may include maintaining cash sweep systems, sub-accounting services, dividend and interest calculation and posting, accounting, reconciliation, client statement preparation and mailing, tax statement preparation and mailing, marketing and distribution related support, and other services. These fees are paid in accordance with an asset-based formula that can range from 0 to 100 basis points annually. Pershing Advisor Solutions may share in these fees. For a listing of money funds and FDIC-insured bank products that pay Pershing these fees, please refer to: <https://www.pershing.com/global-assets/pdf/disclosures/per-mutual-fund-money-fund-and-bank-deposit-program-disclosures.pdf>. If Pershing Advisor Solutions shares in the fees described above, a portion of these fees may be shared with certain turnkey asset management

providers that provide operational and related services to Pershing Advisor Solutions for both ERISA and non-ERISA accounts administered within the providers' programs.

**Annuity Fees.** Pershing has entered into arrangements with insurance companies through which Pershing may receive servicing fees from certain insurance companies that participate in Pershing's annuity program. These one-time fees typically amount to between \$10 and \$17 per annuity contract. In addition, Pershing receives operational reimbursement fees from certain insurance companies for the services it provides, which may include, but are not limited to, posting, accounting reconciliation and client statement preparation and mailing. These fees typically amount to \$6 per year for annuity contracts. For a listing of the insurers that pay Pershing these fees, please refer to [www.pershing.com/annuity\\_fees.htm](http://www.pershing.com/annuity_fees.htm).

**Sponsorship Fees.** Mutual fund companies, annuity companies, exchange-traded fund (ETF) providers, money market providers and other investment solution providers offer marketing support in the form of sponsorship fee payments to Pershing and Pershing Advisor Solutions (or third parties at Pershing's direction) in connection with educational conferences, events, seminars and workshops for independent registered investment advisors and advisors in transition. These payments may be for the expenses of educational materials or other event-related expenses. Generally, the smallest level of sponsorship is \$5,000, and the level of sponsorship can increase depending on the opportunity. For a list of companies that pay sponsorship fees to Pershing Advisor Solutions for events, please refer to

[http://www.pershingadvisorsolutions.com/sponsorship\\_fees.html](http://www.pershingadvisorsolutions.com/sponsorship_fees.html).

**Alternative Investment Network Fees.** Pershing may receive servicing fees from managed futures funds, hedge funds and fund-of-funds (collectively "alternative investments") that participate in Pershing's Alternative Investment Network no-fee program in lieu of transaction fees and special product fee charges to Pershing Advisor Solutions. These fees are calculated in accordance with an asset-based formula that can range from 10 to 50 basis points annually.

Pershing also receives set-up fees from alternative investment providers or broker-dealers in the form of a one-time fee to add an alternative investment to the Alternative Investment Network. The fee is a flat fee ranging from \$100 to \$300 per fund and is remitted to Pershing for its work to set up the alternative investment on Pershing's systems.

For additional details regarding Pershing's Alternative Investment Network no-fee program or a listing of entities that pay fees to Pershing, please refer to

[www.pershing.com/alternative\\_investment\\_network\\_fees.html](http://www.pershing.com/alternative_investment_network_fees.html).

**Payments for Order Flow.** Pershing may receive compensation in connection with routing orders to the marketplace for execution, subject to its obligations to seek best execution. Such compensation may be received from unaffiliated broker-dealers or from securities exchanges. In all cases, Pershing seeks best execution in routing orders. For a description of the compensation earned by Pershing in connection with routing orders, and Pershing's procedures in routing orders, please refer to Pershing's disclosure at [www.orderroutingdisclosure.com/orderrouting/HOME](http://www.orderroutingdisclosure.com/orderrouting/HOME).

**Float Disclosure.** Pershing may obtain a financial benefit attributable to cash balances of ERISA plan accounts that are held by Pershing in connection with cash awaiting investment or cash pending distribution. For a more detailed description of this compensation, refer to [www.pershing.com/business\\_continuity.htm#float\\_disclosure](http://www.pershing.com/business_continuity.htm#float_disclosure)