



# STEWARD PARTNERS INVESTMENT SOLUTIONS

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March 31, 2023

FORM ADV PART 2A  
FIRM BROCHURE

This Brochure provides information about the qualifications and business practices of Steward Partners Investment Solutions, LLC (“Advisor,” “Firm,” “we,” or “SPIS”). If you have any questions about the contents of this Brochure, please contact us at 800-452-1929. 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.

Advisor is a Registered Investment Advisor with the SEC. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about Steward Partners Investment Solutions, LLC (CRD No. 1245) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). This Firm Brochure is available at no cost by contacting Steven Chang, Chief Compliance Officer 800-452-1929 | [info@stewardpartnersis.com](mailto:info@stewardpartnersis.com)

## **Item 2 – Material Changes**

The date of our previous annual update to our brochure was March 31, 2022.

Since that date we have revised our disclosure materials to reflect the following changes. We recommend you closely review each revised section.

- We have created two additional brochures to reflect our distinct Wrap Fee Programs.
- Update to Item 5: Fees and other Compensation
- Updates to Item 15: Custody – Clarification the Firm’s status as a custodian per Investment Adviser Act Rules.
- Addition of Pershing LLC, as custodian, trading, and investment advisory platform

We will continue to provide other ongoing disclosure information about material changes as necessary and will provide you with a new brochure when required based on those changes or new information.

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## Item 4 – Advisory Business

### Firm History

Steward Partners Investment Solutions, LLC (“SPIS”) was established in Portland, Oregon in 1928 as a Broker-Dealer under the original name of Blankenship, Gould, and Keeler. After being acquired in 1999, we operated as Umpqua Investments, Inc. In 2006, we became registered with the Securities and Exchange Commission (the “SEC”) as a Registered Investment Advisor. In 2021, we became a wholly owned subsidiary of Steward Partners Holdings, LLC and changed our name to Steward Partners Investment Solutions, LLC.

### Investment Advisory Services

We provide investment management services to individuals and businesses. This advice can include investment management services (including investment advice, portfolio checkups, retirement planning (for employees and employers), and/or estate planning strategies.

We help clients coordinate and prioritize their financial lives with all aspects of their life goals. Integrating investments across individual retirement accounts, taxable accounts, and employee retirement accounts is crucial to the process. Client input and involvement are critical parts of the financial planning process and implementation of investment decisions. After client assets are invested in an advisory account, on an ongoing basis the IAR will monitor the investments and provide advice related to financial and investment needs.

Client funds are managed on either a discretionary or non-discretionary basis. For non-discretionary clients we must first obtain your approval prior to executing any transactions in your account(s). For discretionary clients we execute investment recommendations on their behalf without prior approval of each specific transaction.

We tailor our advice and services to our Clients’ stated objectives. To formulate our Clients’ investment strategies, we consider information such as risk tolerance, time horizon, and projected future needs. This investment strategy guides us in managing the Client’s account. We connect with our Clients on an as needed basis, but no less than annually, to review portfolio performance, discuss current issues, and re-assess their goals and plans.

Our approach uses broadly diversified portfolios and a systematic strategy to manage investments. Investment tools include mutual funds, exchange-traded funds, exchange-listed equity securities, alternative investments, municipal securities, corporate bonds, U.S. government securities and money market funds. We may also advise our Clients on other types of investments. Clients may impose reasonable restrictions on investing in certain securities or types of securities.

### Investment Advisory Programs (“Programs”)

Custodian - Pershing, LLC & Folio Investments, Inc., A Goldman Sachs Company (“Folio”)

- Steward Partners Advisory Program

The *Steward Partners Advisory Program* is an investment advisory account offered and administered by us. Your Investment Advisory Representative (“IAR”) will manage your account on a discretionary or nondiscretionary basis according to your investment objective. This account offers you the ability to pay an asset based advisory fee (“Program Fee”) which includes transaction costs within the advisory fee in lieu of a commission for each transaction. We receive a portion of the fee. There is a minimum investment of \$25,000 for Steward Partners Advisory Program Accounts, although smaller accounts may be accepted based upon the specific circumstances of an account. The advisory fees for *Steward Partners Advisory Program* are disclosed below at Item 5.

- Steward Partners UMA Program (Only on Folio)

The *Steward Partners UMA Program* is an investment advisory account which, allows you to allocate your assets through discretionary mutual fund or ETF management, based upon your financial objectives and risk tolerances. Additionally, your assets may be invested through unaffiliated investment advisers (“Manager”) registered with the SEC with which We have entered into a sub-advisory agreement. There is a minimum investment of \$25,000 for *Steward Partners UMA Program* accounts. Your IAR receives a portion of the fee for services provided under the agreement.

For more details around these Programs through Pershing & Folio, please refer to our FORM ADV PART 2A - Appendix 1A – Wrap Fee Brochure (Steward Partners Advisory Program – Non-Discretionary/Discretionary, Steward Partners UMA Program)

#### Custodian - Wells Fargo Clearing Services ("FCC")

- Custom Choice Program

The *Custom Choice Program* is a non-discretionary account where your IAR will recommend an appropriate mix of mutual funds from a universe of available funds ("Custom Choice Funds"). You have the option of accepting the IAR's recommendations or selecting alternate investments. The IAR will not presume your acceptance of any non-discretionary recommendation by your silence.

- Asset Advisor Program

The *Asset Advisor Program* is a non-discretionary account where your IAR will recommend securities using research and analysis our Firm reasonably deems to be reliable. You have the option of accepting the IAR's recommendations or selecting alternate investments. The IAR will not presume your acceptance of any non-discretionary recommendation by your silence.

- Private Investment Management (PIM) Program

The *Private Investment Management (PIM) Program* is a discretionary account where the IAR will serve as portfolio manager, handling the day-to-day investment management of your investment advisory account. Your IAR will be primarily responsible for making investment decisions for your account within the guidelines established by the Firm. Discretionary authority grants your IAR complete discretion in the investment and reinvestment of your account assets, including all matters necessary or incidental thereto, without the need to discuss such transactions or actions with you in advance.

For more details around these programs, please refer to our FORM ADV PART 2A - Appendix 1B – Wrap Fee Brochure (Custom Choice, Asset Advisor, Private Investment Management ("PIM"))

#### **Recommending Third-Party Money Managers ("Managers")**

We may recommend Managers for the management of your accounts. Managers selection is guided by your stated objectives (i.e., capital appreciation, growth, income, or growth and income), as well as tax considerations. Investments are made in conventional categories including stocks, bonds, and cash. You may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. In managing your investment portfolio, we consider your financial situation, risk tolerance, investment horizon, liquidity needs, tax considerations, investment objectives, and any other issues important to your financial affairs. You should notify us promptly if there are any changes in your financial situation, investment objectives, or restrictions upon the management of your account.

The Managers recommended by us are chosen for their approach in building portfolios that are designed to mitigate downside risk, offer consistency over time, and offer values-based options as well when applicable. Assets may be managed through a model portfolio that is applied universally to all accounts invested in the model (the "Investment Strategies"). The Manager will oversee the Investment Strategies on a discretionary basis, which means they will purchase and sell securities for your account(s) without first consulting with or obtaining specific authorization from you or your IAR. The Manager manages the Investment Strategies in accordance with its stated investment objectives, not according to the client's investment goals. The Manager will monitor the Investment Strategies on an ongoing basis. Managers may have minimum account balance requirements to invest in the Investment Strategies.

When working with a Manager, we will be responsible for determining the suitability of the investment strategies to be provided by the Manager and assisting you in determining which Manager services are appropriate based on your specific investment goals and objectives, now and in the future. We will monitor performance and are available to discuss the selected Manager's strategy and/or performance. Clients recommended for these programs will receive complete program descriptions, including services, fees, payment structures, and termination features, all of which are found in the respective disclosure brochures, investment advisory agreements, and account opening documents, as well as related solicitor disclosure notices.

#### **Financial Planning Services**

We offer financial planning services which typically involve providing a variety of advisory services to Clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial

planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives. Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change. You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

### **Financial Consulting Services**

We offer financial consulting services that primarily involve advising clients on specific financial-related topics. The topics we address include but are not limited to risk assessment/management, investment planning, retirement planning, financial organization, or financial decision making.

### **Pension Consulting Services**

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

- We also offer assistance with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as: diversification, asset allocation, risk tolerance, and time horizon.

Our educational seminars include other investment-related topics specific to the particular plan.

We also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

### **IMPORTANT DISCLOSURES**

You may notice differences between the information contained in this brochure and in the individual Program Agreements. Such differences may arise when, for example, changes to the Program Agreement were separately negotiated with you or were required by your IAR when offering the Program to you. Differences may also arise due to changes in our Programs or our policies, or because of intervening events. Where there are differences that may exist, now or later, the terms of the Investment Advisory Agreement will control (which may also be amended.) We will notify Clients of any pending changes to their Program Agreement prior to any change implementations.

### **Differences between how investment advisory accounts are managed as compared to other commission-based brokerage accounts.**

When you choose to purchase products and services through SPIS you have the option of investing through a transaction-based account, such as a brokerage account, a fee-based investment advisory program, or both. It is important for you to understand the services you will receive, the fees, costs, and expenses you will pay, and SPIS' and your IAR's conflicts of interest in connection with each of these different types of accounts and relationships with SPIS. These services, fees, costs, expenses, and conflicts of interest are described in this document and in further detail, in SPIS's Form CRS, Regulation Best Interest ("Reg BI") Disclosure Document, and this Forms ADV, Part 2A, which are available on SPIS's website under the "Regulatory Information & Disclosures" section.

The Firm's (and the Representatives') legal, contractual, and regulatory obligations differ in important ways, depending on the type of account(s) you have with us (brokerage or investment advisory), and the products or services we provide. Investment advisory accounts and services are governed by laws and regulations which are, in many ways, different from those that govern brokerage accounts and services.

When acting as an investment advisor, we are a fiduciary for our Client. As a fiduciary, the Firm must, among other duties, act in your best interests, place your interests ahead of our own, and make full and fair disclosure of all material facts, particularly conflicts of interest.

When acting as a broker-dealer for non-ERISA accounts, we must observe high standards of commercial honor, just and equitable principles of trade, and must have reasonable grounds for believing its recommendations are suitable and in the best interest for you, among other duties. However, our obligation to disclose to brokerage customers information about our business, conflicts of interest, compensation, and other matters is more limited than our corresponding obligations to our advisory Clients.

Clients are encouraged to contact their IAR to discuss any questions about which products or services we provide in each of these capacities, and which are in your best interest as a client. Some factors to consider when deciding between an investment advisory and brokerage relationship may include, but are not limited to;

**Advisory Relationship clients:**

- Seek ongoing advice and monitoring on your account.
- Prefer to pay an ongoing advisory fee, based upon assets under management as opposed to a commission on a per-transaction basis,
- Seek a fiduciary relationship with an IAR who must act in your best interest.
- Periodic portfolio rebalancing.

**Brokerage Relationship clients:**

- Seek advice only on individual transactions with no ongoing monitoring of your investments.
- Prefer commission-based compensation paid on a per transaction basis.
- Seek a relationship with a financial professional who must make recommendations in your best interest.

**Fiduciary Responsibility for Retirement Accounts**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act (ERISA) and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interests, fees and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

**Assets Under Management**

Advisor's Assets (rounded to the nearest thousand) under Management ("AUM") on December 31, 2023:

Discretionary Accounts	\$659,184,000
Non-Discretionary Accounts	\$163,685,000
Total AUM	\$822,869,000

**Item 5 – Fees and Compensation**

All Programs charge a "Wrap Fee" ("Program Fee") on Eligible Program Assets that covers advisory, execution, custodial, and reporting services. The Program Fee is negotiable between you and your IAR. Depending on which Program, Excluded Assets may not be held in a Program Account. For more details, please refer to applicable Wrap Fee Brochure. For

transactions in Excluded Assets, you will pay all our usual and customary commissions, transaction fees and other charges. Excluded Assets are not included in the calculation of the Program Fee. Commissions and fees on Excluded Assets and other charges will be assessed against your Account on or about the transaction date or another date when assessed by us. See below for details on fee exclusions, calculations, refunds, and other information.

<u>Program</u>	<u>Maximum Program Fee<sup>1</sup></u>	<u>Minimum Quarterly Program Fee</u>	<u>Minimum New Account Opening Values</u>
Steward Partners Advisory Program	2.50%	N/A	\$25,000
Steward Partners UMA Program		N/A	\$25,000
Asset Advisor		\$125 <sup>2</sup>	\$25,000
Custom Choice		\$75	\$25,000
Private Investment Management (“PIM”)		\$250	\$50,000

<sup>1</sup> Annualized, calculated on your Account Value.

<sup>2</sup> Minimum Quarterly Program Fee (Prior to May 2011) is \$250

Client should note that the minimum Program Fee could cause your Program Fee (expressed as a percentage) to be greater than the standard Program Fee stated above, or the Program Fee stated in your Client Agreement. At our discretion, we can choose to waive the minimum fee.

### **Fees and Compensation - Additional Information**

The negotiated Program Fee is documented on the applicable Program Agreement / Schedule.

The initial Program Fee is calculated as of the date that the Account is accepted by SPIS into the Program and covers the remainder of the calendar quarter. There is usually a short delay between account inception and initial investment transactions. Subsequent Program Fees will be determined for calendar quarter periods and shall be calculated based on the Account Value on the last business day of the prior calendar quarter.

No fee adjustment will be made to the Program Fee during any fee period for appreciation or depreciation in the value of the assets in your Account during that period. The Account will be charged or refunded a prorated quarterly Program Fee on any net additions or net withdrawals in the Account. Program Fees will be assessed in the month following the net addition or net withdrawal. Fees are based on the value of the assets in your Account on the date stated and other than those fees we will not otherwise be compensated based on a share of capital gains upon or capital appreciation of the funds or any portion of your funds (i.e., performance fee). No adjustment will be made to the fee for cash and/or securities added or withdrawn if the Account terminates prior to our monthly fee adjustment for such activity.

### **General Information About Fees for Program Services**

You should be aware that fees charged for the Program could be higher or lower than those otherwise available if you were to select a separate brokerage service and negotiate commissions in the absence of the extra advisory service provided. Advisory Programs typically assume a normal amount of trading activity and, therefore, under circumstances, prolonged periods of inactivity will result in higher fees than if commissions were paid separately for each transaction. The overall costs associated with your relationship with us (and the compensation we receive) vary depending on several factors, including:

- Your particular investment advice requirements and product preferences
- The value of your Account or household relations with us
- The frequency of trades and other account activity
- The type, scope, and frequency of services provided.

The Program Fee is negotiable based upon these and other subjective factors, as well as our point-in-time views of the prevailing market prices for similar investment services. As a result of negotiated Program Fees, certain Clients have a lower Program Fee for their Accounts than other Clients.

If you liquidate securities prior to initiating or after terminating Program services, you will be subject to customary brokerage charges with respect to that transaction, in addition to any fees for Program Services that are applicable during the period. For eligible securities purchased previously in a brokerage account and subsequently moved into an advisory Account, these securities will be included in the calculation of fees for Program services.



A portion of the Program Fee will be paid to our IARs in connection with the introduction of Accounts as well as for providing Client-related services within the Programs. This compensation could be more or less than a IAR would receive if you paid separately for investment advice, brokerage, and other services. If an IAR wishes to discount the Program Fee below certain levels, they can do so under certain circumstances. IARs generally will earn reduced compensation resulting from the discount. This creates an incentive for IARs to not discount.

In an advisory Account, you pay fees based on the value of assets in your Account. The investment advisory Program agreement outlines the amount of your fee. These fees are generally paid quarterly, in advance. Certain advisory Programs have higher total fees than other advisory Programs based on several factors including, but not limited to, management fees, 3<sup>rd</sup> Party Manager and administrative fees. A conflict of interest exists to the extent that we have a financial incentive to recommend a particular advisory Program that results in additional or greater compensation to us.

Unless agreed to otherwise in writing, you authorize us to deduct fees at the rates indicated in the Fee Schedule for your Program quarterly from your Account(s). The Program Fee will be applied in advance.

Margin debit balances do not reduce the Account Value and purchasing eligible securities with proceeds from a margin loan increases your Account Value by the value of those positions. If the margin loan proceeds are reinvested in securities, the Account Value will be affected by any changes in the value of those securities. You will also be charged margin interest on the debit balance in your Account. Margin interest is in addition to the Program Fee. The interest charges, combined with the Program Fee, may exceed the income generated by the assets in your Account and, as a result, the value of your Account may decrease.

In determining the Account Value, we will use the closing prices or, if not available, bid prices of the last recorded transactions for listed securities, options, and over-the-counter securities. For mutual funds, we will use the fund's most current net asset value, as computed by the fund company. We will use information provided by quotation services believed to be reliable in determining the Account Value. If any such prices are unavailable or believed to be unreliable, we will determine prices in good faith to reflect our understanding of fair market value.

The Program Fee will be applied to cash alternatives (i.e., money market funds) held inside the Account. Due to trade date or settlement date accounting, the treatment of accrued income, short positions and other factors, the Account Value used in the calculation of fees could differ from that shown on your monthly Account statement and/or performance report. For more details on Program Fee on Cash Balances.

Whenever there are changes to your fee schedule, the schedule charges previously in effect shall continue until the next billing cycle. We can amend your Client Agreement at any time. Any changes we make to your Client Agreement will be effective after 15 days written notice to you. Your continued use of the services indicates your agreement to the modified terms.

### **Market Timing in Mutual Funds**

Market timing is defined as excessive short-term purchase and sale transactions or exchanges with the intention of capturing short-term profits in violation of the terms of the fund's prospectus. We will not support market timing strategies or activities for mutual funds or any extreme trading activity that we deem, in our sole discretion or by direction of the fund company, detrimental to the interest of average mutual fund shareholders, or contrary to the policies or interest of mutual fund companies with whom we maintain relationships. We, in our sole discretion or by direction of the fund company, reserve the right to reject any transactions or to assess a redemption fee for any partial or full liquidation executed in which the Account trading appears to be inconsistent with the fund's prospectus. Furthermore, when asked by a fund company, we will cooperate and aid in its attempt to identify and impede the efforts of anyone engaged in market timing or extreme trading activity. If the fund company notifies us to reject or cancel a trade for any reason, we reserve the right to cancel it without prior notice to you or any other Client. We will not be held accountable for any losses resulting from market timing activities or any action taken under our market timing policies. Finally, the frequency of mutual fund transactions and exchanges is subject to any limits established by the applicable mutual funds and us.

### **Margin Loans and Securities-Based Loan Programs**

You may be eligible to use margin in your non-retirement Accounts or pledge your non-retirement Account assets as collateral for margin loans ("Margin Loans"). You may also be able to pledge your non-retirement Account assets as collateral for loans obtained through certain unaffiliated loan programs ("Securities-Based Loan Programs"). It is important that you fully

understand the costs, risks, and conflicts of interest involved in pledging your Account assets for a Margin Loan or Securities-Based Loan.

Certain Advisory Programs may permit margin borrowing and trading. We will not extend margin in an advisory Account unless authorized by you through a separate margin agreement. You are responsible for notifying us if you decide that you no longer want to use margin in your Account. You may also discontinue use of margin in your Account according to the terms of the Client Agreement. We are not responsible for any losses resulting from our failure or delay in implementing such instructions.

- **Margin Loans Are Subject to Separate Terms and Conditions.** If you take out a Margin Loan, the terms and conditions applicable to the Margin Loan are governed by the Margin Disclosure Statement and the Client Agreement. You should carefully review the terms, conditions, and risk disclosures for Margin Loans and understand that such risks are heightened in the event you hold a concentrated position in your pledged Account or if your pledged Account makes up all, or substantially all, of your overall net worth or investable assets. Certain eligibility requirements must be met, and documentation in the form of a separate margin agreement must be completed prior to using margin.
- **Costs Are in Addition to Advisory Fees.** As discussed above, if you use margin to purchase additional securities, your Account Value increases and therefore the amount of fees you pay will increase. You will also be charged margin interest on the debit balance in your Account, which is in addition to the Program Fee. This results in additional compensation to us. The interest charged on a Margin Loan is higher than the interest charged on Securities-Based Loans through our unaffiliated relationships.
- **We Have an Incentive to Recommend the Use of Margin.** The increased asset-based fee and interest that you pay on a Margin Loan provides an incentive for your IAR to recommend the use of margin. Your IAR also has an incentive to use margin to purchase additional securities and other assets instead of selling existing securities or other assets. We address these conflicts by disclosing them to you.
- **Margin Loans May Not Be Suitable for You.** Using margin is not suitable for all investors. As described in the next paragraph, the use of margin increases leverage in your Account and therefore increases risk to a portfolio. We generally believe the use of margin is most appropriate when short in duration. Before deciding to use margin, you should consider the intended duration and total cost of the Margin Loan, as well as other options available to you, such as alternative loan options or liquidating your Account assets.
- **Using Margin Involves Higher Risks.** Generally, we believe that the use of margin adds risk to a portfolio that you should not assume unless you are prepared to experience significant losses. Losses in the value of an asset purchased on margin will be magnified because of the use of borrowed money. You can lose more funds than amounts deposited in margin accounts. In addition, you generally will not benefit from using margin unless the performance of your Account exceeds interest expenses on the Margin Loan plus advisory fees incurred. You should also understand that the use of margin can negatively impact our ability to rebalance your Account. You should carefully consider whether the additional risks are appropriate prior to using margin due to the increased potential for significantly greater losses associated with using margin. You assume full responsibility for the use of margin in your Account. **Please see the Margin Disclosure Statement and the Client Agreement for more details on the risks of margin use. You should read this documentation carefully.**

### **Securities-Based Loan Programs**

You may pledge your Account assets as collateral for Securities-Based Loan Programs with our consent and where you are eligible under the programs. For your Account to be eligible to serve as collateral for a Securities-Based Loan, your Account may not also serve as collateral for a Margin Loan. If you wish to use your Account as collateral for a Securities-Based Loan, we will automatically discontinue the availability of margin for your Account.

There are risks, costs, and conflicts of interests associated with Securities-Based Loan Programs. You are encouraged to speak with your IAR to the extent you have questions about how your Account may be used in connection with a Securities-Based Loan Program and how such arrangement should be taken into consideration when discussing the management of your Account.

- **Securities-Based Loan Programs Are Subject to Separate Terms and Conditions.** If you have elected to participate in a Securities-Based Loan Program, the terms and conditions applicable to that Securities-Based Loan Program are governed by the applicable Securities-Based Loan documents and other service agreements and are not included or described further in this brochure. You should review carefully the terms, conditions and any related risk disclosures for the Securities-Based Loan Program and understand that risks are heightened in the event you hold a concentrated position

in your pledged Account or if your pledged Account makes up all, or substantially all, of your overall net worth or investable assets. Certain eligibility requirements must be met, and documentation must be completed prior to obtaining Securities-Based Loans.

- Interest Rates for Securities-Based Loan Programs Differ. In certain circumstances, more than one Securities-Based Loan Program product may be available to you. The interest rate charged for the Securities-Based Loan may be higher than interest rates available through other loan programs from unaffiliated financial institutions. The Securities-Based Loan through our custodial relationships are generally more profitable for us than other loan programs from other financial institutions and gives us an incentive to recommend these Securities-Based Loan Programs.
- Costs Are in Addition to Advisory Fees. The costs, including interest, associated with a Securities-Based Loan Program are not included in the Program Fee and will result in additional compensation to us and our IARs. The interest charges on your Securities-Based Loan Program, combined with the Program Fee, may exceed the income generated by your pledged Account assets and, as a result, the value of your Account may decrease. You are encouraged to carefully consider the total cost of taking out a Securities-Based Loan, and any additional compensation that we and your IAR will receive, when determining to take out and/or maintain a Securities-Based Loan against your Account assets.
- We Have an Incentive to Recommend the Use of Securities-Based Loan Programs. Since our Firm and your IAR are compensated through asset-based advisory fees paid on your Account, we benefit if you draw down on your Securities-Based Loan, which preserves asset-based advisory fee revenue and generates additional loan-related compensation, rather than sell securities or other investments in your Account, which would reduce the assets in your Account and our asset-based advisory fee revenue. This presents a conflict of interest for your IAR when addressing your liquidity needs. In addition, where a Securities-Based Loan is secured by both brokerage and advisory assets, a IAR will benefit if your brokerage assets are liquidated prior to or instead of your advisory assets because the IAR would be able to maintain advisory Account assets subject to the Program Fee. We address these conflicts by disclosing them to you.
- Securities-Based Loan Programs May Not Be Suitable for You. There are other lending products that may be suitable for you and for which we and your IAR would receive different or no compensation. You are responsible for independently evaluating if a Securities-Based Loan is appropriate for your needs, if the lending terms are acceptable, and whether the Securities-Based Loan will have potential adverse tax or other consequences for you.
- There Are Limitations on the Use of Securities-Based Loan Proceeds. Except for margin accounts, where the loan proceeds can be used to purchase, carry, or trade securities, the proceeds of Securities-Based Loan may not be used to (a) purchase, carry, or trade securities or (b) reduce or retire any indebtedness incurred to purchase, carry, or trade securities. If your Account is used as collateral for a Securities-Based Loan, the Account is pledged to support the Securities-Based Loan and you are not permitted to withdraw funds or other assets from your Account unless enough collateral remain to continue supporting the Securities-Based Loan (as determined under the applicable Securities-Based Loan Program). Although you are required to satisfy such collateral requirements, you can terminate your advisory relationship with us, at which time the funds and assets in your Account will be treated as a brokerage account at our Firm and the collateral requirements for the Securities-Based Loan will continue to apply.

#### **Additional Considerations Associated with Pledging Advisory Account Assets for Margin Loans and Securities-Based Loans**

In addition to the risks mentioned above, if your Account assets are pledged or otherwise used as collateral for Margin Loans or Securities-Based Loans, the exercise of our rights and powers over your Account assets, including the disposition and sale of any and all assets pledged as collateral, may be contrary to your interests and the investment objective of your Account.

- There Are Collateral Maintenance Requirements. When you use margin to purchase securities or draw down on a Securities Based Loan, your Account assets serve as collateral. We can increase our “house” maintenance requirements or call your Margin Loan or Securities Based Loan at any time and for any reason and are not required to provide you with advance written notice. If your Account assets decline in value, so does the value of the collateral. If the required collateral is not maintained, you may need to deposit additional cash or securities as collateral or repay a partial or entire amount of the funds borrowed on short notice. You are not entitled to an extension of time on a margin call. The lender may refuse to fund any advance request due to insufficient collateral. Where the lender assigns different release rates to different asset types, you may be able to satisfy collateral maintenance requirements by selling securities with a low release rate and investing and/or holding the proceeds in assets that have a higher release rate for the loan.
- Liquidation of Securities in a Maintenance Call. Failure to promptly meet requests for additional collateral or repayment, or other circumstances including but not limited to a rapidly declining market, will cause the liquidation of some or all the collateral supporting any Margin Loans or Securities-Based Loans to meet the maintenance requirements. We can sell your Account assets without contacting you. We are not required to notify you of a maintenance call. You will be responsible for any shortfall if your Account assets are insufficient to cover the maintenance deficiency. Even if we have notified you and provided a specific date by which you can meet a maintenance call, we can still take necessary steps to

protect our financial interests, including immediately selling your Account assets without notice to you. You should understand that because your Account assets are collateral for the Margin Loans or Securities-Based Loans, in selling such assets, we will seek to protect or advance our interests over your interests. You should expect that our interests will not be aligned with – and will be adverse to – your interests when we sell assets during a maintenance call, and that we may sell assets that you desire to keep or sell them at prices that may be less than the value that we or you believe the assets are worth. You are not entitled to choose which Account assets are liquidated or sold to meet a maintenance call. If there are Account assets that you desire to own during the term of your Margin Loan or Securities-Based Loan, you should not pledge them as collateral. Depending on market circumstances, the prices obtained for your Account assets may be less favorable and may be less than the value that we or you believe the assets are worth. If a margin or maintenance call cannot be fully satisfied from your Account assets, you remain liable for the outstanding debt.

- **Impact of Margin and Maintenance Calls on Management of Your Account.** In a maintenance call, we might liquidate Account assets that you, your IAR or your third-party Manager otherwise would not sell, and that might not otherwise be in your best interests to sell, and you might not get to choose the assets that are liquidated. We or a third-party Manager will seek to manage your Account as agreed under your advisory Client Agreement and applicable Program Features and Fee Schedule, provided that, if a maintenance call takes place, you should expect that we or your third-party Manager will not be able to manage your Account consistent with our or the third-party Manager's overall strategy. In addition, to preserve sufficient collateral value to support the loan and avoid a maintenance call, depending on your leverage, a IAR may be inclined to invest your account in more conservative investments, which may result in lower investment performance than more aggressive investments (depending on market conditions). We mitigate this risk by requiring and monitoring to ensure that your Account is managed consistent with your respective investment strategies.
- **No Legal or Tax Advice.** Our Firm and your IAR do not provide legal or tax advice. You should consult with your own Legal counsel and independent tax advisor before using securities as collateral for loans in order to fully understand the tax implications associated with pledging your Account as loan collateral and the potential liquidation of pledged assets.

#### **Other Account Fees**

The fees for Program services do not include certain dealer markups or markdowns, odd lot differentials, transfer taxes, exchange fees, execution fees (foreign and/or domestic) when applicable, ADR custodial pass through fees, foreign financial transaction taxes when applicable, and any other fees required by law. Cash balances in an Account may be invested in money market mutual funds including, as permitted by law, those with which we have agreements to provide advisory, administrative, distribution, and other services and for which we receive compensation for the services rendered. You should understand that, depending on interest rates and other market factors, the yield that you earn on cash and cash alternatives, including cash sweep funds, CDs and money market funds in an Account, have been, and may continue in the future to be, lower than the aggregate fees and expenses you pay with respect to cash held in an Account (including the Program Fee and Platform Fee and any fee and expenses you bear as an investor in a cash sweep vehicle). As a result, you may experience a negative overall investment return with respect to cash held in an Account. Furthermore, in some instances, the effective yield of a cash sweep may be negative.

If you invest in foreign stocks or American depository receipts ("ADRs"), you will be subject to foreign tax withholding on the dividends paid or interest earned. An ADR represents underlying shares of a foreign corporation which are held and issued by a bank. While ADRs are traded on U.S. markets, the income and tax withholding are subject to the rules and regulation of the foreign tax authorities with jurisdiction over the underlying corporation. When dividends or interest is paid to investors on such foreign securities, the tax authorities for that country requires the payor to withhold taxes for certain foreign investors. This can negatively impact the rate of return on your investment. U.S. clients could be eligible to reclaim a portion of foreign taxes that are withheld and/or receive a preferential foreign tax rate on foreign securities by filing specific tax forms seeking such relief. We do not provide tax advice. Please consult your tax advisor for specific information on foreign tax withholding, your eligibility to reclaim a portion of taxes withheld and/or receiving a preferential foreign tax rate and the costs associated with these filings.

Any non-brokerage fees that are not included in the fees for Program Services will be charged to your Account separately.

Your IAR may suggest that you use other products and services that we offer, but that are not available through the Program you select ("Excluded Assets" or "Non-Program Assets"). Excluded Assets are not charged a Program Fee or a Platform Fee and are not considered a part of the Program or Program services. We generally recommend that you hold these Excluded Assets in a separate brokerage Account. If an Excluded Asset purchased for or transferred into your Account later becomes a Program Eligible Asset, the Program Fee and Platform Fee will apply to that Asset without prior notice to you. You will incur any usual and customary brokerage charges and fees imposed on transactions in Excluded Assets which could include

(I) any dealer markups and odd lot differentials, transfer taxes, and other fees; (ii) margin interest and operational fees and charges; (iii) any redemption fees, exchange fees and/or similar fees (among which SEC fees are included) imposed in connection with mutual fund transactions whereby we or your IAR receive additional compensation on these Excluded Assets. Where these fees apply, the more transactions you enter, the more compensation that we and your IAR receive. This compensation creates an incentive for us to recommend that you buy and sell, rather than hold, these investments. We also have an incentive to recommend that you purchase investment products that carry higher fees, than investment products that carry lower fees or no fees at all.

#### **Account Termination**

You or we may terminate an Advisory Program Account by notifying the other party in writing of the Advisory Program Account to be terminated and termination will become effective upon the receipt of the notice. If an Advisory Program Account is terminated, we will make a pro-rata refund to you of fees paid to us pursuant to the Agreement for the period after the date of effectiveness of such termination through the end of the then current fee period.

If you choose to terminate your Agreement with any of our investment advisory Programs, we can liquidate your Account if you instruct us to do so. If so, instructed we will liquidate your Account in an orderly and efficient manner. We do not charge for such redemption; however, you should be aware that certain mutual funds impose redemption fees as stated in their fund prospectus. For taxable Accounts, you should also keep in mind that the decision to liquidate security issues or mutual funds will result in tax consequences that should be discussed with your tax advisor.

We will not be responsible for market fluctuations in your Account from the time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner. Factors that affect the orderly and efficient liquidation of an Account might be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable, and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate an advisory Account, termination orders cannot be considered market orders. It could take several business days under normal market conditions to process your request.

Upon termination of the Account or transfer of the Advisory Share Class into a retail brokerage account, you authorize us to convert, at our discretion, the Advisory Share Class to the mutual fund's primary share class, typically A shares, without incurring a commission or load without your prior consent. You understand that the primary share class generally has higher operating expenses than the Advisory Share Class, which will negatively affect your performance. Certain mutual fund shares are required to be redeemed as part of the Account termination, as stated in their prospectus.

If a Program Account is terminated, but you maintain a brokerage Account with us, the money market fund used in a "sweep" arrangement could be changed and/or your shares exchanged for shares of another series of the same fund. You will bear a proportionate share of the money market fund's fees and expenses. You are subject to the customary brokerage charges for any securities positions sold in your Account after the termination of Program services.

#### **Program Fee on Cash Balances**

Your IAR may maintain cash and cash equivalent positions (such as cash sweep, money market funds or CDs) for defensive and liquidity purposes or for dollar cost averaging. If warranted, we will bill on the cash balance based on the investment strategy.

You should understand that the portion of the account held in cash will experience negative performance if the applicable Program Fee charged is higher than the return received on the cash sweep balance.

You should periodically re-evaluate whether their maintenance of a cash balance is appropriate considering your financial situation and investment goals and should understand that this cash may be held outside of your advisory account and not subject to Program Fees.

#### **Fee Payments through the Custodian**

At the inception of the relationship and each quarter thereafter, we will notify your Custodian of the amount of the fee due and payable to us through our fee schedule and contract. They will "deduct" the fees from your Account(s) you have designated to pay our advisory fees. If there is activity, each month, you will receive a statement directly from your Custodian



showing all transactions, positions, and credits/debits into or from your account; the statements after the quarter end will reflect these transactions, including the Program Fee paid by you to us. At a minimum, you will receive statements quarterly. You should carefully review your statements for accuracy and notify us immediately with any questions or concerns.

### **Third Party Money Manager Fees**

Clients that have a third-party Manager (“Manager”) engaged to manage client assets will be charged a Manager advisory fee in addition to the Firm’s Program Fee. The fee charged to the client and the payment cycle for collection of the advisory fee is determined by the Manager recommended by us and selected by the client. All fees due and payable will be disclosed in a tri-party investment advisory agreement between the Manager, the client and our Firm.

Managers can be accessed on either the Wells Fargo Clearing Services, LLC (“FCC”) or Folio Investments, Inc., A Goldman Sachs Company (“Folio”) Platforms. For clients who invest with Managers, the fee will range from 0-1.75% per annum. Manager fees are calculated and deducted from your account as stated in the Program Agreement.

### **Financial Planning Fees**

Financial planning fees are negotiable or may be offered as a courtesy through your IAR. Fees may be charged for these services and will be dependent upon the anticipated time to provide the services and complexity of the plan and/or your financial situation. The fees are determined in advance and disclosed to you.

It is important to note that we may provide investment product or securities recommendations as part of financial planning services or hourly consulting services. This may present a conflict to the extent that your IAR receives compensation from implementation of such recommendations. Also, compensation to your IAR and our Firm may vary depending on the product or service your IAR recommends. Please note that you have no obligation to execute the recommendations provided to you in a financial plan or you may execute those recommendations through another broker/dealer or RIA firm.

You should also understand that your IAR may perform advisory services for various other clients and may give advice or take actions for those other clients that differ from the advice given to you. Also, the timing or nature of any action taken for your account may be different. You should note that similar advisory services may be available from other registered investment advisers for similar or lower fees.

You may terminate the advisory agreement upon 30 days written notice to our firm. If you were charged fees in arrears, you will be responsible for a prorated fee based on services performed. If fees are paid in advance, you may be entitled to a refund of unearned fees.

### **Platform Fee**

We utilize the services of subadvisor platforms that offer access to Managers as well as assist your IAR in the management of your accounts. The Platform Fee is equal to 0.075% per annum and may be included in your Program Fee. Depending on which Program you choose, your IAR will receive more compensation if they do not use this subadvisor platform.

### **Additional Expenses Not Included in the Program Fee (or “Annual Fee”)**

We do not custody client assets as a qualified custodian; therefore, you will have to custody your accounts with a qualified Custodian. The advisory fees payable to us do not include all the fees you may pay for maintaining your account(s) with a Custodian. The following list of fees or expenses are what you may pay directly to Custodians or brokers, whether a security is being purchased, sold or held in your account(s) under our management. Fees charged by Custodian can include, but not limited to, items such as:

- Brokerage commissions (FCC Only)
- Transaction fees
- Exchange fees
- Regulatory fees
- Advisory fees and administrative fees charged by exchange traded funds (ETFs)
- Custodial fees
- Wire-transfer and electronic fund processing fees
- SMA/Third Party Money Manager fee

### **Other Fees and Expenses**

Mutual funds exchanged traded funds, and annuities all charge internal management fees and other expenses, which are disclosed in a fund's or annuity's prospectus or equivalent disclosure document and are directly deducted from the value of such investment vehicles. IARs may utilize mutual funds and other managed products in clients' portfolios. The fees and expenses charged by the product providers are separate and distinct from the advisory Fee charged by the IAR.

These fees and expenses are described in each mutual funds' prospectus. These fees will include a management fee, other fund expenses and a possible distribution fee. No-load or load mutual funds may be used in client portfolios which will determine if there is an initial or deferred sales charge which a client will pay. We do not retain 12b-1 fees or other sales charges and commissions on the accounts of advisory clients. When acting as a broker-dealer, ongoing compensation from Third Party Product Sponsors may be received by us and shared with our financial professionals. This compensation (commonly known as trails, service fees or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets.

Fees for the programs described in this brochure are negotiable based upon many factors including the type and size of the account and the range of services provided by Advisor. In special circumstances, and with client consent, the fee charged to the client account may be more than the maximum fee indicated in this brochure.

### **Insurance Products**

Some IAR's and other employees of our Firm and our affiliates, are also licensed to sell insurance through a licensed insurance agency. Insurance-related business is transacted with advisory clients, and these individuals can receive commissions from products sold to you. You are advised that the fees paid to the Firm for investment advisory services are separate and distinct from the commissions earned by any individual for selling clients insurance products.

The receipt of commissions by an affiliated entity or individuals associated with the firm presents a conflict of interest. As fiduciaries we must place our clients' interests ahead of ours. Further, we must determine in good faith that any commissions paid to our representatives are appropriate. You are under no obligation to use any individual associated with us for insurance products or services. You may use any insurance firm or agent you choose.

### **Cash Sweep Program**

Through our various relationships with our Custodians, SPIS receives various revenue streams, including, but not limited to revenue sharing payments from Custodians based upon clients' cash sweep balances. Our Firm's receipt of these and other revenue streams through its custodial relationship supports and defrays the costs the Firm has related to the ongoing operational and administrative maintenance of client accounts and compensates us for the various services it provides in its role as broker-dealer of record and/or program sponsor for such client accounts.

At Pershing, the default cash sweep vehicle, Dreyfus Insured Deposits Program H ("DIDH") and at Folio, the default cash sweep vehicle, Insured Bank Deposit Cash Sweep Program ("IBDC"), offers a higher amount of revenue sharing than other available cash sweep options. The receipt of this revenue sharing presents a conflict of interest because the Firm has a financial incentive to have clients utilize the default cash sweep vehicle. This conflict is mitigated by disclosing it to you. Further, clients should note that although a default cash sweep vehicle is selected, clients have the ability to seek higher yields in other available cash sweep vehicles.

### **Other Compensation Considerations:**

#### **Investment Advisory Representative Loans**

Steward Partners Global Advisory, LLC and its affiliates other than Steward Partners Investment Solutions, LLC (collectively, "Steward Partners"), in order to facilitate the recruitment of IARs and the acquisition of existing registered investment advisory firms ("RIAs") offers recruited IARs and the IARs of acquired RIAs recruitment loans (the "Recruitment Loans"). Any Recruitment Loans would be expected to have a term of up to ten (10) years and would be accompanied by an unrelated bonus agreement which would provide the recipient IAR of the loan with monies over a similar period to repay the loan over time (the "Bonus Agreement"). These Recruitment Loans and the Bonus Agreement payments would constitute an additional economic benefit for our IARs. Any IAR or RIAs that are recruited or acquired, as the case may be, can choose any of the available custodian and clearing platforms that the Firm has established.

The receipt of Recruitment Loans presents a conflict of interest because recruited or acquired IARs are incentivized to recommend that clients move their assets to, and continue to utilize the services of, the Firm rather than basing such recommendations on the client's particular needs or best interest. The Recruitment Loans incentivize Steward Partners, the Firm and its IARs to recommend that existing clients begin or continue to utilize the services of our Firm.

This also presents a conflict of interest as the Firm's IARs compensation and Bonus Agreement payments are directly related to the amount of revenue generated from advisory fees and will be higher as more client assets transfer to or remain at the Firm. Please see the section titled "Additional Expenses Not Included in the Program Fee" for additional information on these types of investments. Please note that the Firm's IARs have a fiduciary duty to act in your best interest.

These conflicts are mitigated by disclosing them to you and by requiring that there be a review of your account at account opening and periodically to determine whether it is suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics.

### **Folio Platform Credits**

In connection with its relationship with Folio, the Firm is eligible to receive Platform Credits ("Credits") for the fees it pays to Folio for custody and clearing services. These Credits involve the amount of assets, and any growth of new assets, which are custodied and cleared at Folio. The Firm intends to use these credits to offset its operating costs related to the Folio Investments custody and clearing platform and, more generally, to offset its overall operating costs. As a result of these Credits, the Firm may have a financial incentive to recommend that recruited or acquired IARs recommend to their clients that they custody their assets at Folio, or that existing IARs recommend to their clients that they move the custody of their assets from their current custody and clearing firm to Folio. In order to mitigate this conflict of interest, the Firm does not share these credits with its IARs, who make these recommendations to clients. Please note that our IARs have a fiduciary duty to act in your best interest. You are reminded that they are free to use any custody and clearing firm that we have a relationship with and are not required to utilize Folio for its custodial and clearing services.

### **Growth Award Program**

The *Growth Award Program* ("Program") is intended to incentivize IARs who grow their business by providing them with additional equity ownership in our parent company, Steward Partners Management Holdings ("SPMH"). The program incentivizes IARs who have a certain amount of growth in revenue as determined by the Firm in its sole discretion. An additional award, representing a percentage of the amount awarded to the IARs, may be distributed among the IARs or IAR's Support Staff. This additional award is subject to the Firm's sole discretion and requires management approval. The review period is based on Calendar Year production (January through December). Please contact us for further information on the program.

This Program presents a conflict of interest between the IARs and you as a client since, it creates a financial incentive for the IARs to increase their revenue rather than acting in your best interest. However, as a fiduciary, the Firm and its IARs have an obligation to always put your interests first. In assessing whether this standard is met, we must determine whether our recommendations and investment strategies are not only appropriate for you but are in your best interests as well. We periodically evaluate the holdings in your account and the advice provided to you to ensure it aligns with your current investment objectives and risk tolerance. In addition, whenever trading may create a conflict of interest, we have an obligation to obtain your informed consent after providing full and fair disclosure of all material facts. While we cannot mitigate the conflict of interest, we believe the disclosures provided herein are sufficient for you to provide us with your informed consent before we engage in trading activity on your behalf.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

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

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Our advisory fee compensation is charged only as disclosed above.



## Item 7 – Types of Clients

We provide portfolio management services to individuals, high net worth individuals, charitable institutions, foundations, endowments, small businesses, limited liability companies, trusts and corporations.

We require a minimum new advisory account opening value of \$25,000. Some advisory programs have a higher minimum. Exceptions can be made on a case-by-case basis.

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

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

### ***Fundamental Analysis:***

We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the security is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

### ***Technical Analysis:***

We analyze past market movements and apply that analysis to the present to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

### ***Asset Allocation:***

Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Advisor may recommend professionally managed investment products like low-cost mutual funds and exchange traded funds (ETFs). As with any investment, past performance is not a guarantee of future results. But costs often do affect investment performance. Advisor attempts to use low-cost products whenever possible, such as index funds and ETFs. Clients should always review and understand an investment's key literature such as a prospectus and annual report.

Advisor constructs portfolios based on different risk and return objectives which are reviewed with each client in order to identify the most appropriate portfolio. Advisor's investment strategy involves analyzing global market conditions to determine how best to allocate portfolios. In addition, Advisor conducts manager research in order to identify the most attractive and suitable securities. We take this approach by working with the client to understand their needs.

Advisor believes in the benefits of diversification through asset allocation. While diversification can help to lower a portfolio's overall volatility (significant price changes), investing always involves a risk of loss that clients should be prepared to bear. Advisor therefore attempts to balance reasonable levels of risk with reasonable levels of return to generate the capital necessary to meet client goals. Individual client risk tolerance and risk capacity are also key factors in the investment planning process.

### ***Asset allocations are not static:***

Depending on the asset allocation approach, and according to your investment needs, assets within your portfolio may

periodically be rebalanced or reallocated as recommended by the investment strategy selected for your account. When market returns have caused asset allocations to extend beyond predetermined limits, your portfolio may be rebalanced back to an original target mix. As our economic outlook evolves, assets within your portfolio may also be reallocated to capture opportunities or manage risk. Investments can go down in value. You can lose some, much or all your invested money. Do not invest money you cannot afford to lose.

## **Item 9 – Disciplinary and Other Information**

We are both a broker-dealer and investment advisory Firm. The disciplinary events listed below are related to the activities of the broker-dealer, investment advisor or predecessor firms.

For more information on broker/dealer related disciplinary events, please visit: <http://www.brokercheck.finra.org>.

Our investment advisory disciplinary history is available by going to: <http://www.adviserinfo.sec.gov/>.

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

Steward Partners Investment Solutions, LLC (“SPIS”), a limited liability company organized under the laws of the State of Delaware, is a registered investment adviser primarily based in Portland, OR. We are principally owned by Steward Partners Management Holdings, LLC. We became registered with the Securities and Exchange Commission (the “SEC”) on September 28, 2006, as a Registered Investment Advisor. Registration of an Investment Advisor with the SEC does not imply any level of skill or training.

We are both a registered investment advisor and a registered broker/dealer. Our Firm in its combined role as a Broker/Dealer and a Registered Investment Advisor may provide comprehensive financial planning advice to its clients as well as standard broker/dealer services for traditional brokerage accounts. This advice can include cash management, risk management (insurance planning/sales), investment planning (including investment advice, supervisory services and/or portfolio checkups), retirement planning (for employees and employers), and/or estate planning strategies.

Some investment advisors are licensed as insurance agents for an affiliate of Advisor. The conflicts of interest associated with the above arrangements and how these conflicts are addressed are described in Section 5, above. Please also see Item 15 – Custody, regarding our affiliation with our clearing firms, Wells Fargo Clearing Services, LLC (“FCC”), Pershing, LLC and Folio Investments, Inc., A Goldman Sachs Company (“Folio”).

Steward Partners Investment Advisory, LLC (“SPIA”), an SEC registered investment advisor, is an affiliate of Steward Partners Investment Solutions, LLC and under the same parent company, Steward Partners Holdings, LLC. Steward Partners Investment Solutions, LLC, Steward Partners Investment Advisory, LLC, and Steward Partners Global Advisory, LLC are affiliates and separately operated.

## **Item 11 – Code of Ethics**

The Firm adheres to the code of ethics as promulgated by the Certified Financial Planner Board of Standards. Our Code of Ethics will be provided upon request to any client or prospective client. In brief, Advisor provides professional services with integrity, objectivity and diligence. Our employees maintain the knowledge and skills necessary to provide professional services in a competent manner. Advisor will be fair and reasonable in all professional relationships and disclose any conflicts of interest. Advisor protects the confidentiality of all client information. Our employees act in a manner that demonstrates exemplary professional conduct.

We have adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons at the Firm must acknowledge the terms of the Code of Ethics annually, or as amended.

We use the same processes and procedures in developing investment strategies (and other financial services) for clients as for its employees. Thus, employees will often invest in the same or other investment products as recommended to clients. Any potential conflicts of interest will be disclosed to clients.

We anticipate that, in appropriate circumstances and consistent with clients' investment objectives, we will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which we, our affiliates and/or clients, directly or indirectly, have a position of interest. Our employees and persons associated with our Firm are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors, and employees of the Firm and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for its clients.

Our clients or prospective clients may request a copy of the firm's Code of Ethics by emailing us at: [info@stewardpartnersis.com](mailto:info@stewardpartnersis.com).

## **Item 12 – Brokerage Practices**

### **Advisor Directed Brokerage**

Except to the extent that the Client directs otherwise, Advisor will employ either Pershing, FCC or Folio (collectively "Custodians"), to maintain custody of clients' assets and to affect trades for their account. Our accounts are opened on these various Custodian platforms. For our clients maintaining an account at Custodians, custody services, commissions and management expenses will not be charged to Client separately.

Our equity and fixed income trades can be executed through our Custodians. In the opinion of our Firm, our Custodians provide quality execution services at a competitive cost. It is possible that more favorable execution for some transactions could be provided elsewhere.

### **Aggregation and Block Trading Procedures**

The aggregating or blocking of client transactions allows an advisor to execute transactions in a more timely, equitable and efficient manner and seeks to reduce overall transaction costs to clients. We perform aggregate client transactions where possible and when advantageous to clients. In these instances, clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a prorated basis. In the event transactions for an advisor, its employees or principals (i.e., proprietary accounts) are aggregated with client transactions, these trades are treated the same as a client with no preferential treatment given.

### **Research and Other Soft Dollar Benefits**

Soft dollar arrangements have developed as a link between the brokerage industry's supply of research and the money management industry's demand for research. Because commission dollars pay for the entire bundle of services, the practice of allocating certain of these dollars to pay for the research component has come to be called "soft dollars." Advisor does not participate in soft dollar arrangements.

### **Referrals**

We do not compensate or otherwise reward non-affiliated brokers for client referrals.

## **Item 13 – Review of Accounts**

Reviews will be conducted with client's at least annually, or as requested by you. Reviews will focus on portfolio performance compared to your targets and benchmarks. Reviews may be triggered at any point in time in response to a disclosure that you make to us of a significant change in your circumstances (such as paying off a mortgage, retiring, changing employment, etc.). Account reviews are conducted by your IAR or the Firm.

### **Reporting from Custodian**

You will receive the following from Custodian:

- Trade confirmations reflecting all transactions in securities; provided, however, that periodic statements of account activity may be furnished in lieu of transaction by transaction confirmations to the extent and in the manner permitted by Rule 10b-10 under the Exchange Act; and
- A statement of Account activity, holdings, fees, and expenses at least quarterly.

### **Performance Reports**

Advisory accounts will have written performance (or similar) reports available online, at least quarterly. Each performance

report will include a reminder to contact us if there are any changes in your Suitability Information and will also include how to notify us.

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

We may receive client referrals from non-employee (outside) consultants, individuals, and/or entities (Promoters). In order to receive a cash referral fee from our firm, Promoters must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Promoter, you should have received a copy of this brochure along with the Promoter's disclosure statement at the time of the referral. If you become a client, the Promoter that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Promoter expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Promoter are contingent upon your entering into an advisory agreement with our firm. Therefore, a Promoter has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Promoters that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Promoters disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Promoter's compensation is less favorable.

## **Item 15 – Custody**

Client's Investment Advisory Program assets will be held at a designated custodian. Clients have the option to waive receiving trade confirmations that the custodian sends for each purchase and sale transaction. This option is voluntary and not required to establish or maintain a Client Account. Clients electing to waive receipt of trade confirmations will continue to receive monthly account statements providing information on all transactions taking place in the account.

We do not provide custodial services for client assets and all Client Accounts are required to be held with a qualified custodian. Clients will receive account statements from the qualified custodian that holds their accounts, and clients should carefully review these statements. It is important to compare the information on these statements with reports you receive from our Firm or your IAR.

The Firm and its IARs do not take possession of client funds or securities. However, in certain Investment Advisory Programs, clients have authorized the Firm to deduct advisory fees from their accounts. While the Firm and its IARs do not accept authority to take possession of client assets, this level of account access is considered "custody" under Investment Advisers Act Rules. Additionally, we also allow clients to grant authority to their IARs to initiate transfers of funds and securities on the client's behalf, including transfers to third parties, through standing written authorizations or instructions. The SEC has determined that this capability is considered "custody" under Investment Advisers Act rules.

## **Item 16 – Investment Discretion**

Advisor will receive discretionary trading authority from you at the onset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for your account. We are granted a limited power of attorney and are limited by our standard agreement and agreed-upon investment guidelines. The contract allows us to manage substitutions, additions, and deletions to your portfolio. Our authority includes the power to purchase, sell and exchange property, exercise whatever rights are conferred upon the holder of property held in a portfolio, and reinvest any account proceeds. The portfolio guidelines cover restrictions on securities to be bought and sold, portfolio objectives and portfolio asset allocation requirements.

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

As a matter of firm policy and practice, Advisor does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for all securities maintained in client portfolios.

Advisor may provide advice to clients regarding the clients' voting of proxies.

## **Item 18 – Financial Information**

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about Advisor's financial condition. Advisor has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.