



SIGNATOR MANAGED ACCOUNT PLATFORM

PART 2A APPENDIX 1

PROGRAM BROCHURE

Current as of March 31, 2023

Royal Alliance Associates, Inc.

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This brochure provides information about the qualifications and business practices of Royal Alliance Associates, Inc. If you have any questions about the contents of this brochure, please contact us at (800) 821-5100. Royal Alliance Associates, Inc. is registered with the Securities and Exchange Commission (SEC) as a registered investment adviser. Registration does not imply any level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Royal Alliance Associates, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for the Firm is 23131.

Item 2 – Summary of Material Changes

Royal Alliance Associates, Inc. filed its last annual amendment to the Signator Managed Account Platform Form ADV, Part 2A Appendix 1 (“Appendix 1”) on March 31, 2022. Since then, the following material changes have occurred.

- Item 5 – Sweep Program: Revised disclosures related to the Bank Deposit Sweep Program and Insured Cash Account Programs

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Item 4 – Services, Fees & Compensation

Royal Alliance Associates, Inc. is registered as an investment adviser with the SEC, SEC File No. 801-54859, in order to offer investment advisory products and services to its advisory clients. Royal Alliance Associates, Inc. is also a member of the Financial Industry Regulatory Authority (“FINRA”) as a broker-dealer engaged in the offer and sale of securities products. Advisory products and services are offered through certain Financial Advisors (“FAs”) who have registered as Investment Adviser Representatives (“Advisory Representative”). Registration does not imply a certain level of skill or training. Advisory Representative. Royal Alliance is a subsidiary of Advisor Group, Inc., a wholly-owned subsidiary of Advisor Group Holdings, Inc., which is owned primarily by a consortium of investors through RCP Artemis Co-Invest, L.P., an investment fund affiliated with Reverence Capital Partners LLC. The consortium of investors includes, RCP Genpar Holdco LLC, RCP Genpar L.P., RCP Opp Fund II GP, L.P., and The Berliniski Family 2016 Trust.

Royal Alliance Associates, Inc. the broker-dealer, will henceforth be referred to as “Royal Alliance”. Royal Alliance Associates, Inc. the Registered Investment Adviser, will henceforth be referred to as “RAA”, “we”, “us”, “our” or the “Firm”.

RAA, through its affiliated Advisory Representatives, provides a variety of services designed to meet the needs of retail individual and corporate clients. This brochure contains information about Signator Managed Account Platform (the “Program”), a wrap fee program sponsored by RAA. This Program is also available as a non-wrap program where separate transaction fees apply.

Advisory Services

The Signator Managed Account Platform (the “Program”) is not being offered to new customers and is only available to existing owners.

RAA is the sponsor of the Program, which provides clients with advisory, custody and brokerage execution services for one all-inclusive fee (the “Fee”). This means that the cost of RAA’s investment advisory services, the cost of executing brokerage transactions and custodial fees are “wrapped” into a single annual fee based on the value of the client’s portfolio. RAA has clearing relationships with National Financial Services, LLC (“NFS”) and Pershing, LLC. (“Pershing”). Both NFS and Pershing are “qualified custodians,” as that term is defined in Rule 206(4)-2(d)(6) of the Investment Advisers Act of 1940.

RAA clients, with accounts that trade through the Royal Alliance broker-dealer, pay fees through a “wrap account” program sponsored by RAA, which is a program that provides clients with advisory, custody and brokerage execution services for the Fee. This means that the cost of RAA’s investment advisory services, the cost of executing brokerage transactions and custodial fees are “wrapped” into a single annual fee (charged quarterly in advance) based on the value of the client’s portfolio. Investments offered through the Program include such securities as equities, mutual funds, Electronically Traded Funds (“ETFs”), and fixed income securities.

The Program offers mutual fund and/or exchange traded fund programs, advisor directed portfolios, separately managed accounts and a unified managed account program. RAA is the sponsor and Registered Investment Adviser.

Envestnet Asset Management, Inc. (“Envestnet”) is also a registered investment adviser to the Program. Envestnet is located at 35 E. Wacker Dr., Suite 2400, Chicago IL 60601.

Envestnet’s Form ADV Part 2A is given to clients and prospective clients of the Program and contains specific details about Envestnet and its investment advisory qualifications and services. For additional information about Envestnet, please see Envestnet’s Form ADV Part 2A.

The Program includes the following services:

- a separately managed account based on clients’ specific goals and investment objectives;
- identification and analysis of the clients’ investment objectives;
- continuous management of the client accounts;
- on-going communication with clients about client accounts through calls, meetings, account statements

- and performance updates;
- brokerage services and commissions through Royal Alliance, RAA's affiliated registered broker-dealer; and
- custody services for client accounts through NFS and Pershing.

There is no guarantee that the advisory services offered under the Program will result in the clients' goals and objectives being met. Nor is there any guarantee of profit or protection from loss. No assumption can be made that an advisory fee arrangement or portfolio management service of any nature will provide a better return than other investment vehicles.

Wrap fee programs are not suitable for all investment needs, and any decision to participate in a wrap fee program should be based on your financial situation, investment objectives, tolerance for risk, and investment time horizon, among other considerations. The benefits under a wrap fee program depend, in part, upon the size of the account and the number of transactions likely to be generated.

For example, a wrap fee program is not always suitable for accounts with little trading activity, because the wrap account fees could be costlier than brokerage trading fees for low volume trading accounts. To determine whether a wrap fee program is suitable, clients should evaluate the Fee and any other costs of the Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for services comparable to those provided under the program considering their personal circumstances.

Clients should bear in mind that asset-based fee arrangements, when compared with the traditional commission option, can result in lower costs during periods when trading activity is heavier, such as the year an account is established. During periods when trading activity is lower, such arrangements result in higher annual costs. Some clients favor the asset-based fee because it fixes their brokerage cost at a predetermined level; whereas other clients find such an arrangement does not suit their needs because they anticipate their accounts will have low turnover.

Depending on the amount of the wrap fee, the frequency (low or high) of transactions, and the nature and value of the services that are provided under the Program, the Fee can exceed the aggregate cost of obtaining these services separately. In such case, the fees for a wrap fee program result in higher costs than clients otherwise incur by paying a management fee and negotiating separate arrangements for brokerage and trade execution, custodial services, and performance reporting.

If clients choose to use margin, they should be aware that the market value of the account's assets is not reduced by the amount of the margin and will therefore increase the Fee. The increased Fee provides an incentive for RAA to recommend portfolio strategies or third-party advisers who use margin strategies. The use of margin is not suitable for all investors, since it increases leverage in the account and therefore increases its risk.

Fees & Compensation

RAA charges an annual program fee (the "Program Fee") equal to a percentage of the assets invested in the client's account. The Program Fee will or will not include the "Sponsor Fee" and "Manager Fee" depending on the portfolio, as well as the "Advisory Fee". The Sponsor Fee is the compensation paid to RAA and Envestnet for services provided to the client's account and is not negotiable. The Advisory Fee is the compensation that is paid to the Advisory Representative and is negotiable. The Program Fee includes fees for clearing and custody if applicable in a wrap fee account.

RAA and Envestnet each retain a portion of the Program Fee as compensation for services provided to the client's account. RAA, in its sole discretion, pays all or a portion of the Program Fee to another party involved in providing services to the client's account.

Program Fees are billed quarterly, in advance, based on the average daily balance of the account during the prior quarter. For John Hancock Portfolio Solutions, the Program Fee is billed quarterly, in advance, based on the value of the account on the last business day of the prior calendar quarter. Program Fees are debited from the account at the start of each quarter. All unused, pre-paid Program fees will be credited (refunded) to the client's account in the event of termination of this Agreement and/or account closing. The client account will only be charged for the actual days the account was managed. Program Fees are automatically deducted from the assets in the client's Program unless other arrangements have been made.

Upon establishment of the account, the Program Fee will be charged in the month following the account opening. This Program Fee will be pro-rated for the number of days during the first month the account was managed plus the remainder of days in the current quarter. The client account will only be charged for the actual days the account was managed.

Additional nominal regulatory fees can be assessed on certain securities transactions.

All investments in mutual funds are subject to the terms of each of the applicable prospectuses, including associated fees and underlying mutual fund expenses as fully described in the prospectus. All clients will be advised that RAA's fees are in addition to fees charged by the mutual funds and exchange-traded funds ("ETFs") in their portfolio. Some Fund fees include 12b-1 fees which are internal distribution fees assessed by the Fund, all or a portion of which are paid to the distributor(s) of the Funds. The Firm and your Advisory Representative do not retain 12b-1 fees paid by Funds.

With regard to any assets invested in mutual funds that are advised by RAA or an affiliate of RAA, the assets will be excluded from the calculation of the Administrative Fee.

The Program can cost the client more, or less than, if the client paid separately for the individual services included in the Program.

The Advisory Representative recommending the Program to the client receives compensation as a result of the client's participation in the Program, and the amount of such compensation can be more than what the Advisory Representative would recommend if the client participated in other programs of RAA or paid separately for investment advice, brokerage and other services, and the Advisory Representative therefore has a financial incentive to recommend the Program over other programs or services.

Finally, certain additional brokerage fees and custodian fees may apply to your advisory accounts where Royal Alliance is acting as the broker-dealer. In some instances, we apply a markup to these fees. Depending on the custodial fee, it may be applied annually, per transaction, per month or per CUSIP. Please refer to the [Client Fee Disclosure - Pershing Clearing](#) and [Client Fee Disclosure - NFS Clearing](#) located at www.royalliance.com/disclosures to find additional details regarding custodial fees.

In addition, any and all fees and costs clients incur in addition to the Fee, some of which benefit the Royal Alliance broker-dealer, the Firm's affiliate, and therefore represent not just additional costs, but also additional indirect revenue to the Firm.

For specific information regarding the available products offered through the Program and the associated fees, please see below.

Advisor Managed Portfolios

In the Program, the client provides the Advisory Representative with information regarding investment objectives, financial needs, investment time horizon, risk tolerance and other relevant information. Envestnet provides the technology platform on which the Program functions and is only providing administrative services to RAA for this Program. The Advisory Representative inputs this information into the Envestnet platform to build a model portfolio for the client, recommend an appropriate asset allocation among the investment options in the Program and select appropriate investment vehicles for the client's account coinciding with the client's risk tolerance parameters.

The Program is offered on a discretionary or non-discretionary basis as determined by the client. For discretionary accounts, client grants RAA through its Advisory Representative full authority to invest, reinvest, allocate and reallocate assets in the accounts that are part of the Program. Such discretionary authority allows the Advisory Representative to make all investment decisions with respect to the account and when deemed appropriate and without prior consultation with the client, to buy, exchange, convert and otherwise trade in any stocks, bonds, mutual funds and other securities. If a client does not grant discretionary authority, then any transaction or investment must be reviewed and approved by the client in advance. RAA, in its sole discretion, can determine certain accounts that will not be eligible for discretion and discretion can be revoked in writing.

Reasonable restrictions can be imposed by the client on management of the accounts including the designation

of particular securities or types of securities that should not be purchased for the account or that should not be held in the account.

Advisory Representatives consult with clients periodically, but no less than annually to determine whether any information needs to be updated and whether any changes need to be made to the client's stated risk tolerance parameters.

The Client account can be structured as either a wrap fee Program account or a non-wrap fee Program account. A wrap fee Program account is charged an advisory fee as a percentage of assets under management that for one fee includes the management fee, administrative costs of RAA and transaction fees for the securities sold and purchased in account. The non-wrap fee version of the Program is charged a lower advisory fee as well as transactions charges associated with the purchase and sale of each security. Depending on the trading activity in the account and the types of securities bought and sold, the non-wrap version of the Program can be less expensive for the client. The client and the Advisory Representative should consider which version of the Program is appropriate for the client.

RAA may allow non-Program assets to be held in the client account as an accommodation. These accommodated assets will not be part of the recommended model and will not contribute to the performance or be charged the Program fee. Should a client want to hold securities as an accommodation, then only the non-wrap fee version of the Program will be available.

The tables below describe the Program Fee Schedules custodied at NFS.

Wrap Fee Program Fee Schedule for accounts custodied at NFS

| Market Value | Sponsor Fee | Maximum Annual Program Fee* |
|--------------|-------------|-----------------------------|
| Up to \$250K | 0.40% | 2.00% |
| \$250K-500K | 0.21% | 2.00% |
| \$500K-750K | 0.17% | 2.00% |
| \$750K-1M | 0.16% | 2.00% |
| \$1M-2M | 0.14% | 2.00% |
| \$2M-5M | 0.13% | 2.00% |
| \$5M-10M | 0.09% | 2.00% |
| Above \$10M | 0.08% | 2.00% |

*A minimum annual Program fee of \$20 will apply to all accounts. Additionally, an annual \$35 fee will be charged for Registered Daily NAV REITs and alternative investments. These annual fees can cause the total Program fee to exceed 2.00% in certain circumstances.

Non-Wrap Fee Program Fee Schedule for accounts custodied at NFS

| Market Value | Sponsor Fee | Maximum Annual Program Fee* |
|--------------|-------------|-----------------------------|
| Up to \$250K | 0.15% | 2.00% |
| \$250K-500K | 0.11% | 2.00% |
| \$500K-750K | 0.09% | 2.00% |
| \$750K-1M | 0.08% | 2.00% |
| \$1M-2M | 0.07% | 2.00% |
| \$2M-5M | 0.07% | 2.00% |
| \$5M-10M | 0.04% | 2.00% |
| Above \$10M | 0.03% | 2.00% |

*A minimum annual Program fee of \$20 will apply to all accounts. Additionally, an annual \$35 fee will be charged for Registered Daily NAV REITs and alternative investments. These annual fees can cause the total Program fee to exceed 2.00% in certain circumstances.

The table below describes **the transaction charges associated with the non-wrap fee version of the**

Program for accounts held with NFS.

| Security Type | Transaction Fee |
|--|----------------------------------|
| Stocks, ETFs and Closed End Funds | |
| Market Orders | \$7.00 per transaction |
| Mutual Funds | |
| No transaction fee (NTF) funds | \$0.00 per transaction |
| PIP/SWP | \$0.00 per transaction |
| No load and load waived buys and sells | \$0.00 to \$7.00 per transaction |
| Illiquid and Alternative Investments | |
| Daily NAV Interval Funds (Purchase & Sale) | \$7.00 |
| Monthly NAV REITs (Purchase & Sale) | \$7.00 |
| Registered Daily NAV REITs (Purchase & Sale) | \$50.00 |
| Other | |
| Fixed Income | \$0.00 to \$7.00 per transaction |
| Unit Investment Trust Redemption Fee (liquidations only) | \$0.00 to \$7.00 per transaction |
| Options – Closing Trades Only (liquidations only) | \$7.00 |

*Transaction fees are subject to change

All other transaction fees are \$7.00 unless noted otherwise.

The tables below describe the Program Fee Schedules custodied at Pershing, LLC.

Wrap Fee Program Fee Schedule for accounts custodied at Pershing, LLC

| Market Value | Sponsor Fee | Maximum Annual Program Fee* |
|--------------|-------------|-----------------------------|
| Up to \$250K | 0.26% | 2.00% |
| \$250K-500K | 0.22% | 2.00% |
| \$500K-750K | 0.20% | 2.00% |
| \$750K-1M | 0.19% | 2.00% |
| \$1M-2M | 0.18% | 2.00% |
| \$2M-5M | 0.18% | 2.00% |
| \$5M-10M | 0.15% | 2.00% |
| Above \$10M | 0.14% | 2.00% |

*A minimum annual Program fee of \$20 will apply to all accounts. Additionally, an annual \$35 fee will be charged for Registered Daily NAV REITs and alternative investments. These annual fees can cause the total Program fee to exceed 2.00% in certain circumstances.

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Non-Wrap Fee Program Fee Schedule for accounts custodied at Pershing, LLC

| Market Value | Sponsor Fee | Maximum Annual Program Fee* |
|--------------|-------------|-----------------------------|
| Up to \$250K | 0.15% | 2.00% |
| \$250K-500K | 0.11% | 2.00% |
| \$500K-750K | 0.09% | 2.00% |
| \$750K-1M | 0.08% | 2.00% |
| \$1M-2M | 0.07% | 2.00% |
| \$2M-5M | 0.07% | 2.00% |
| \$5M-10M | 0.06% | 2.00% |
| Above \$10M | 0.05% | 2.00% |

*A minimum annual Program fee of \$20 will apply to all accounts. Additionally, an annual \$35 per account fee will be charged for Registered Daily NAV REITs and alternative investments. These annual fees can cause the total Program fee to exceed 2.00% in certain circumstances.

The table below describes the **transaction charges associated with the non-wrap fee version of the Program for accounts held with Pershing, LLC.**

| Security Type | Transaction Fee |
|--|----------------------------------|
| Stocks, ETFs and Closed End Funds | |
| Market orders | \$7.00 per transaction |
| Mutual Funds | |
| No transaction fee (NTF) funds | \$0.00 per transaction |
| PIP / SWP | \$0.00 per transaction |
| No load and load waived buys and sells | \$0.00 to \$7.00 per transaction |
| Illiquid and Alternative Investments | |
| Daily NAV Interval Funds (Purchase & Sale) | \$7.00 |
| Monthly NAV REITs (Purchase & Sale) | \$7.00 |
| Registered Daily NAV REITs (Purchase & Sale) | \$50.00 |
| Other | |
| Fixed Income | \$0.00 to \$7.00 per transaction |
| Unit Investment Trust Redemption Transaction Fee (Purchases not allowed) | \$0.00 to \$7.00 per transaction |
| Options-Closing Trades Only (Purchases not allowed) | \$0.00 to \$7.00 per transaction |
| Short-Term Redemption of NTF Fund | \$25.00 per transaction |
| Bond / Fixed Income Redemption | \$10.00 per transaction |

*Transaction fees are subject to change

All other transaction fees are \$7.00 unless noted otherwise.

Surcharge Fees Imposed on Your Account

A surcharge of up to \$10 is assessed to you for transactions in certain mutual funds. The surcharge applies to each purchase and sale transaction for such mutual funds but excludes exchanges and periodic investments. Upon request, your Advisory Representative will provide you with a list of mutual funds subject to the surcharge fee.

This list is subject to change from time to time. Please refer to the [Client Fee Disclosure - Pershing Clearing](#) and [Client Fee Disclosure - NFS Clearing](#) located at www.royalalliance.com/disclosures to find additional details regarding custodial fees.

Strategist Managed Portfolios

Strategist Managed Portfolios ("SMP") is a model driven program that allows the client to invest in a broad range of mutual funds and/ or exchange traded funds. These Model Portfolios are managed by third party investment advisors ("Model Providers") and RAA elects the model portfolios available in the program. The Model Providers are responsible for all investment selections, and they have sole discretion to add or remove securities from their portfolios.

Investnet is granted investment discretion and will continuously monitor each client portfolio. When deemed appropriate, Investnet will make changes based updates to the model portfolios. Investnet will also periodically rebalance the portfolios.

In the SMP program the client provides the Advisory Representative with information regarding investment objectives, investment time horizon, risk tolerance and other relevant information. The Advisory Representative then inputs this information into Investnet's proprietary investment allocation system, which in turn provides the client and the Advisory Representative with investment options that have been determined to be appropriate choices for the client based on the information provided by the client. After the initial investment selections have been elected, the Advisory Representative meets with the client no less than annually to discuss any changes in the client's financial situation which have an affect the on the client's investment selections. Clients have a choice to select model portfolios offered by the following third-party Model Providers. For additional information about these Model Providers, please see the respective Form ADV Part 2A.

Trading

You will approve the initial Model Provider and Model Portfolio presented to you. The Model Portfolios are provided by Model Providers; therefore, you grant discretion to Model Provider to purchase and sell securities without your prior consent according to the Model Portfolios stated investment objectives.

We utilize Investnet, an independent investment adviser, to execute the transactions on your behalf. Investnet will use discretionary authority to execute securities transactions that are recommended by the Model Providers. Investnet acts to coordinate Model Provider trading activity including whether and how to implement trading instructions received from the Model Providers.

Best Execution

In placing orders for purchase and sale of securities and directing brokerage to effect these transactions, Investnet seeks to obtain prompt execution of orders at the most favorable conditions. In doing so, Investnet considers a number of factors, including, without limitation, the overall direct net economic result to the Client, the financial strength, reputation and stability of the broker, the efficiency with which the transaction is effected, the ability to effect the transaction at all, the availability of the broker to stand ready to execute possibly difficult transactions in the future and other factors involved in the receipt of brokerage services. In general, Investnet routes trades directly to the Pershing or NFS (as applicable).

“Step-out” Trades

Occasionally, in order to obtain best execution and minimize market impact, certain thinly traded securities, illiquid or ETF trades, for example, can be ‘stepped-out’ in order to gain best execution and minimize market impact. In some instances, stepped-out trades are executed by the other firm without any additional commission or markup or markdown, but in other instances, the executing firm may impose a commission or a markup or markdown on the trade. If trades are placed with a firm that imposes a commission or equivalent fee on the trade, including a commission that may be imbedded in the price of the security, the client will incur trading costs in addition to the fee you pay your Advisory Representative. It is important to know that you may pay a commission in addition to your advisory fee for those stepped-out trades. Envestnet has procedures in place to monitor these transactions. Envestnet’s Best Execution Committee meets quarterly to review the results of the documented monitoring conducted during the quarter. We periodically review Envestnet’s procedures and results and may rely on a third party review as well.

Transaction Aggregation

Envestnet may aggregate transactions in the same security on behalf of more than one client to facilitate best execution and to possibly reduce the price per share and other costs. Envestnet effects the aggregated transactions in a manner designed to ensure that no participating client is favored over any other client. With respect to the aggregated order, you will participate at the average share price for all Envestnet transactions in that security on that business day. When possible, securities bought or sold in an aggregated transaction are allocated pro-rata to the participating Client’s accounts in proportion to the size of the orders placed for each account. When Envestnet is unable to fully execute an aggregated order, Envestnet will allocate such transactions on a pro-rata basis or in a manner Envestnet determines in good faith to be a fair and equitable allocation.

Program Fees

Client accounts are structured as either a SMP wrap fee Program Account or a non-wrap fee SMP Program Account as represented in the Statement of Investment Selection “SIS.” A SMP wrap fee Program Account is charged an Advisory fee as a percentage of assets under management; that for one fee includes the management fee, administrative costs of the Adviser and transaction fees for the securities purchased and sold in the SMP wrap fee Program Account. Investment Manager Fees are waived for an Investment Manager that is an affiliate of the Firm.

The table below describes the **transaction charges associated with the SMP non-wrap fee version of the Program for accounts held with NFS.**

| Security Type | Transaction Fee |
|--|----------------------------------|
| Stocks, ETFs and Closed End Funds | |
| Market Orders | \$7.00 per transaction |
| Mutual Funds | |
| No transaction fee (NTF) funds | \$0.00 |
| PIP/SWP | \$0.00 |
| No load and load waived buys and sells | \$0.00 to \$7.00 per transaction |
| Other | |
| Fixed Income | \$0.00 to \$7.00 per transaction |
| Unit Investment Trust Redemption Fee (liquidations only) | \$0.00 to \$7.00 per transaction |
| Alternative Investments Redemption Fee (liquidations only) | \$50.00 per transaction |
| Options – Closing Trades Only (liquidations only) | \$0.00 to \$7.00 per transaction |

*Transaction fees are subject to change

The table below describes the **transaction charges associated with the SMP non-wrap fee version of the Program for accounts held with Pershing, LLC.**

| Security Type | Transaction Fee |
|--|----------------------------------|
| Stocks, ETFs and Closed End Funds | |
| Market orders | \$7.00 per transaction |
| Mutual Funds | |
| No transaction fee (NTF) funds | \$0.00 per transaction |
| PIP / SW P | \$0.00 per transaction |
| No load and load waived buys and sells | \$0.00 to \$7.00 per transaction |
| Exchanges | \$0.00 per exchange |
| Other | |
| Fixed Income | \$0.00 to \$7.00 per transaction |
| Unit Investment Trust Redemption Transaction Fee (Purchases not allowed) | \$0.00 to \$7.00 per transaction |
| Alternative Investments Redemption Transaction Fee (Purchases not allowed) | \$50.00 per transaction |
| Options-Closing Trades Only (Purchases not allowed) | \$0.00 to \$7.00 per transaction |
| Short-Term Redemption of NTF Fund | \$25.00 per transaction |
| Bond / Fixed Income Redemption | \$10.00 per transaction |

*Transaction fees are subject to change

Please see below for the **SMP Program Fee Schedule**

| Market Value | Maximum Annual Program Fee* |
|--------------|-----------------------------|
| Up to \$250K | 2.00% |
| \$250K-500K | 2.00% |
| \$500K-1M | 2.00% |
| \$1M-2M | 2.00% |
| \$2M-5M | 2.00% |
| Above \$5M | 2.00% |

* SMP accounts are subject to a \$20 minimum annual Program fee and can cause the total Program fee to exceed 2.00% in certain circumstances.

John Hancock Portfolio Solutions

RAA manages the John Hancock Portfolio Solutions ("JHPS") program which offer individual clients actively managed portfolios comprised of mutual funds and/or ETFs. RAA is granted investment discretion and will continuously monitor each client's portfolio. John Hancock Investment Management, LLC ("JHIM") provides RAA with recommended model portfolios based on specific investment strategies and, from time-to-time, recommends changes to asset class allocations and specific mutual fund and ETF selections. JHIM provides research related to the mutual funds and ETFs RAA includes in the model portfolios. We will provide monitoring and review of model portfolios provided. We have the discretion to modify and/or rebalance the portfolios without your consent consistent with your investment objectives and risk tolerance.

After the investor profile questionnaire is completed, RAA's Advisory Representative analyzes the client information and recommends an appropriate strategy based on the client's needs and objectives, investment time horizon, risk tolerance and other pertinent factors. RAA will then propose an overall strategy that includes asset allocation and investment style recommendations.

Trading

You will approve the initial Model Portfolio presented to you. The Model Portfolios are provided by JHPS; therefore, you grant discretion to JHPS to purchase and sell securities without your prior consent according to the Model Portfolios stated investment objectives.

We utilize Envestnet, an independent investment adviser, to execute the transactions on your behalf. Envestnet will use discretionary authority to execute securities transactions that are recommended by JHPS. Envestnet acts to coordinate JHPS trading activity including whether and how to implement trading instructions received from JHPS.

Program Fees

The client account is structured as a wrap fee Program Account as represented in the SIS. A JHPS wrap fee Program Account is charged an Advisory fee as a percentage of assets under management that for one fee includes the management fee, administrative costs of the Adviser and transaction fees for the securities purchased and sold in the JHPS wrap fee Program Account. Investment Manager Fees are waived for an Investment Manager that is an affiliate of the Firm.

Please see below for the **JHPS Program Fee Schedule**

| Market Value | Maximum Annual Program Fee* |
|--------------|-----------------------------|
| Up to \$250K | 2.00% |
| \$250K-500K | 2.00% |
| \$500K-1M | 2.00% |
| \$1M-2M | 2.00% |
| \$2M-5M | 2.00% |
| Above \$5M | 2.00% |

* JHPS accounts are subject to a \$20 minimum annual JHPS Program fee that can cause the total JHPS Program fee to exceed 2.00% in certain circumstances.

Separate Accounts

Separate Accounts ("SA") is a program that allows the client, through the Advisory Representative, to select style specific separate account managers pre-screened by Envestnet from a universe of managers who specialize in a particular investment style. The SA managers choose the general securities, bonds or exchange traded funds (ETFs) for the portfolio and have trading discretion.

In the SA program the client provides the Advisory Representative with information regarding investment objectives, investment time horizon, risk tolerance and other relevant information. The Advisory Representative then inputs this information into Envestnet's proprietary investment allocation system, which in turn provides the client and the Advisory Representative with investment options that have been determined to be appropriate choices for the client based on the information provided by the client. After the initial investment selections have been elected, the Advisory Representative meets with the client no less than annually to discuss any changes in the client's financial situation which have an effect on the client's investment selections.

Trading

You grant discretion to us, your Advisory Representative, the SA Manager, and/or Envestnet to purchase and sell securities without your prior consent according to your stated investment objectives.

We utilize Envestnet, an independent investment adviser, to execute the transactions on your behalf. Envestnet will use discretionary authority to execute securities transactions that are recommended by the SA Managers. Envestnet acts to coordinate SA program trading activity including whether and how to implement trading instructions received from SA Managers and/or your Advisory Representative.

Best Execution

In placing orders for purchase and sale of securities and directing brokerage to effect these transactions, Envestnet seeks to obtain prompt execution of orders at the most favorable conditions. In doing so, Envestnet considers a number of factors, including, without limitation, the overall direct net economic result to the Client, the financial strength, reputation and stability of the broker, the efficiency with which the transaction is effected, the ability to effect the transaction at all, the availability of the broker to stand ready to execute possibly difficult transactions in the future and other factors involved in the receipt of brokerage services. In general, Envestnet routes trades directly to the Pershing or NFS (as applicable).

“Step-out” Trades

Occasionally, in order to obtain best execution and minimize market impact, certain thinly traded securities, illiquid or ETF trades, for example, can be ‘stepped-out’ in order to gain best execution and minimize market impact. In some instances, stepped-out trades are executed by the other firm without any additional commission or markup or markdown, but in other instances, the executing firm may impose a commission or a markup or markdown on the trade. If trades are placed with a firm that imposes a commission or equivalent fee on the trade, including a commission that may be imbedded in the price of the security, the client will incur trading costs in addition to the fee you pay your Advisory Representative. It is important to know that you may pay a commission in addition to your advisory fee for those stepped-out trades. Envestnet has procedures in place to monitor these transactions. Envestnet’s Best Execution Committee meets quarterly to review the results of the documented monitoring conducted during the quarter. We periodically review Envestnet’s procedures and results and may rely on a third party review as well.

Transaction Aggregation

Envestnet may aggregate transactions in the same security on behalf of more than one client to facilitate best execution and to possibly reduce the price per share and other costs. Envestnet effects the aggregated transactions in a manner designed to ensure that no participating client is favored over any other client. With respect to the aggregated order, you will participate at the average share price for all Envestnet transactions in that security on that business day. When possible, securities bought or sold in an aggregated transaction are allocated pro-rata to the participating Client’s accounts in proportion to the size of the orders placed for each account. When Envestnet is unable to fully execute an aggregated order, Envestnet will allocate such transactions on a pro-rata basis or in a manner Envestnet determines in good faith to be a fair and equitable allocation.

Program Fees

The client account is structured as a SA wrap fee Program Account as represented in the SIS. A JHPS wrap fee Program Account is charged an Advisory fee as a percentage of assets under management that for one fee includes the management fee, administrative costs of the Adviser and transaction fees for the securities purchased and sold in the SA wrap fee Program Account. Investment Manager Fees are waived for an Investment Manager that is an affiliate of the Firm.

Please see below for the **SA Program Fee Schedule**

| Market Value | Maximum Annual Program Fee* |
|--------------|-----------------------------|
| Up to \$250K | 3.00% |
| \$250K-500K | 3.00% |
| \$500K-1M | 3.00% |
| \$1M-2M | 3.00% |
| \$2M-5M | 3.00% |
| Above \$5M | 3.00% |

*SAs are subject to a \$350 minimum annual SA Program fee and minimum annual custodial fees depending on the type of manager(s) selected that can cause the total SA Program fee to exceed 3.00%.

Unified Managed Account

In the Unified Managed Account (“UMA”) program, the client provides the Advisory Representative with information regarding investment objectives, financial needs, investment time horizon, risk tolerance and other relevant information. The Advisory Representative inputs this information into the Envestnet Asset Management platform to build a model portfolio for the client, recommend an appropriate asset allocation among the investment options in the UMA program and select appropriate investment vehicles for the client’s account coinciding with the client’s risk tolerance parameters. Investment options in the UMA include investment strategies created and managed by:

- Third Party Investment Managers such as SA Managers, Model Providers, JHPS,
- your Advisory Representative (from a selection of mutual funds, exchange traded products, or equities),
- fund managers.

Unlike other programs, all Investment Manager investments, Funds and ETFs will be held in a single custodial account. Overlay management is provided to coordinate the trading activities of UMA Investment Managers, rebalancing, and optional tax management and socially responsible services.

Clients participating in the UMA program will receive investment management services, underlying investment securities recommendations and rebalancing services. Under the UMA program, Envestnet provides portfolio overlay management services, including coordinating all trading and keeping client portfolios in balance with clients’ respective asset allocation strategies. Envestnet maintains trading authority and will provide periodic rebalancing services so that the allocation of assets remains, within certain parameters, consistent, with the selected Strategy. The UMA program is offered on a discretionary basis and the Advisory Representative provides rebalancing of the investments, purchasing investments and/or selling investments from a client’s account, but will instruct Envestnet to make account changes based on such recommendations.

Reasonable restrictions can be imposed by the client on management of the accounts including the designation of particular securities or types of securities that should not be purchased for the account or that should not be held in the account.

Advisory Representatives consult with clients periodically, but no less than annually to determine whether any information needs to be updated and whether any changes need to be made to the client’s stated risk tolerance parameters. The client account is structured as a wrap fee Program Account as represented in the SIS. A UMA wrap fee Program Account is charged an Advisory fee as a percentage of assets under management that for one fee includes the management fee, administrative costs of the Adviser and transaction fees for the securities purchased and sold in the wrap fee Program Account.

Trading

You grant discretion to us, your Advisory Representative, Third Party Investment Managers, and/or Envestnet to purchase and sell securities without your prior consent according to your stated investment objectives.

We utilize Envestnet, an independent investment adviser, to execute the transactions on your behalf. Envestnet will use discretionary authority to execute securities transactions that are recommended by the Third Party Investment Managers, and/or your Advisory Representative. Envestnet acts to coordinate UMA program trading activity including whether and how to implement trading instructions received from Third Party Investment Managers and/or your Advisory Representative. Your Advisory Representative does not exercise investment discretion over your assets allocated to Investment Managers.

Best Execution

In placing orders for purchase and sale of securities and directing brokerage to effect these transactions, Envestnet seeks to obtain prompt execution of orders at the most favorable conditions. In doing so, Envestnet considers a number of factors, including, without limitation, the overall direct net economic result to the Client, the financial strength, reputation and stability of the broker, the efficiency with which the transaction is effected, the ability to effect the transaction at all, the availability of the broker to stand ready to execute possibly difficult transactions in the future and other factors involved in the receipt of brokerage services. In general, Envestnet routes trades directly to the Pershing or NFS (as applicable).

“Step-out” Trades

Occasionally, in order to obtain best execution and minimize market impact, certain thinly traded securities, illiquid or ETF trades, for example, can be ‘stepped-out’ in order to gain best execution and minimize market impact. In some instances, stepped-out trades are executed by the other firm without any additional commission or markup or markdown, but in other instances, the executing firm may impose a commission or a markup or markdown on the trade. If trades are placed with a firm that imposes a commission or equivalent fee on the trade, including a commission that may be imbedded in the price of the security, the client will incur trading costs in addition to the fee you pay your Advisory Representative. It is important to know that you may pay a commission in addition to your advisory fee for those stepped-out trades. Envestnet has procedures in place to monitor these transactions. Envestnet’s Best Execution Committee meets quarterly to review the results of the documented monitoring conducted during the quarter. We periodically review Envestnet’s procedures and results and may rely on a third party review as well.

Transaction Aggregation

Envestnet may aggregate transactions in the same security on behalf of more than one client to facilitate best execution and to possibly reduce the price per share and other costs. Envestnet effects the aggregated transactions in a manner designed to ensure that no participating client is favored over any other client. With respect to the aggregated order, you will participate at the average share price for all Envestnet transactions in that security on that business day. When possible, securities bought or sold in an aggregated transaction are allocated pro-rata to the participating Client’s accounts in proportion to the size of the orders placed for each account. When Envestnet is unable to fully execute an aggregated order, Envestnet will allocate such transactions on a pro-rata basis or in a manner Envestnet determines in good faith to be a fair and equitable allocation.

Program Fees

UMA Program Accounts custodied at Pershing and NFS are allotted one hundred and fifteen (115) purchases or sales in any twelve (12) month period. Should there be purchases or sales in excess of the allotment then those purchases and sales will be charged a transaction fee as defined below. At the end of each twelve-month period, the allotment resets to 115. These are subject to a \$250 minimum annual program fee and minimum annual custodial fees depending on the type of manager(s) selected that can cause the total program fee to exceed 3.00%. Investment Manager Fees are waived for an Investment Manager that is an affiliate of the Firm.

| Security Type | Transaction Fee |
|--|----------------------------------|
| Stocks, ETFs and Closed End Funds | |
| Market Orders | \$7.00 per transaction |
| Mutual Funds | |
| No transaction fee (NTF) funds | \$0.00 |
| PIP/SWP | \$0.00 |
| No load and load waived buys and sells | \$0.00 to \$7.00 per transaction |
| Other | |
| Fixed Income | \$0.00 to \$7.00 per transaction |
| Unit Investment Trust Redemption Fee (liquidations only) | \$0.00 to \$7.00 per transaction |
| Alternative Investments Redemption Fee (liquidations only) | \$50.00 per transaction |
| Options – Closing Trades Only (liquidations only) | \$0.00 to \$7.00 per transaction |

*Transaction fees are subject to change

Please see below for the **UMA Program Fee Schedule**

| Market Value | Maximum Annual Program Fee |
|--------------|----------------------------|
| Up to \$250K | 3.00% |
| \$250K-500K | 3.00% |
| \$500K-1M | 3.00% |
| \$1M-2M | 3.00% |
| \$2M-5M | 3.00% |
| Above \$5M | 3.00% |

In addition to the fees discussed above, the below confirmation and prospectus paper fees also apply to your account.

| | |
|------------------|--------|
| Confirmation Fee | \$1.50 |
| Prospectus Fee | \$1.50 |

The Confirmation Fee can be avoided by signing up for electronic delivery. Your Advisory Representative can also choose to pay this fee on your behalf. Refer to the trade confirmation to determine if this fee applies to you.

The Prospectus Fee can be avoided by signing up for electronic delivery. The Prospectus Fee is paid by your Advisory Representative. In cases where your Advisory Representative pays the above fees, there is an incentive for your Advisory Representative to trade less often or to recommend different products to avoid the fee. Our policy and procedures are designed to ensure our Related Persons make recommendations to you that are in your best interest. Furthermore, to mitigate this conflict, you can sign up for electronic delivery.

Sweep Program

When your Program Account is maintained at one of our clearing firms, Pershing or NFS, your free credit balance will be automatically deposited or “swept” to a deposit account at one or more banks whose deposits are insured up to applicable limits by the Federal Deposit Insurance Corporation (“FDIC”) (the “Sweep Program”). Under the Sweep Program, Royal Alliance maintains two FDIC-insured deposit programs, the Bank Deposit Sweep Program (“BDSP”) and the Insured Cash Account Program (“ICAP”), that create financial benefits for Royal Alliance as described below. For certain Program Account types, free credit balances are swept to a money market mutual fund product (the “Money Market Mutual Fund Program”), which does not create financial benefits for Royal Alliance. Please see the **Sweep Program Terms and Conditions** document, available from your Advisory Representative or from the website listed below, for full details about the Sweep Program.

As set forth in the terms of your Customer Agreement with Royal Alliance, you may remove your Program Account from participating in the Sweep Program by notifying your Advisory Representative. If you remove your Program Account from the Sweep Program, cash balances will be held by the clearing firm as a free credit balance. In addition, there are always alternatives for the short-term investment of cash balances, including non-sweep money market mutual funds, treasury bills, and brokered certificates of deposit, that offer higher returns than the sweep options made available to you.

FDIC Insured Deposit Program (BDSP & ICAP)

Eligible account types: all accounts except ERISA Title 1 accounts, 403(b)(7), & Keogh plans

Free credit balances swept to a deposit account will earn interest that is compounded daily and credited to your Program Account monthly. Interest begins to accrue on the date of deposit with the banks participating in the program (“Program Banks”), through the business day preceding the date of withdrawal from the deposit account. The daily rate is 1/365 (or 1/366 in a leap year) of the posted interest rate.

Bank Deposit Sweep Program - BDSP

Royal Alliance has established deposit levels or tiers which ordinarily pay different rates of interest depending on deposit balances. Generally, Program Accounts with higher deposit balances receive higher rates of interest than accounts with lower balances. The interest rate payable to you is determined by us and is based on the amounts paid by the Program Banks to obtain the deposits. The amount we retain, less a fee paid to our clearing agent and the third-party administrator, will not exceed 600 basis points (6.00%) per year (the "Maximum Program Fee") on the average daily balances held in the BDSP. Interest paid on the deposit accounts will generally be lower than the rate of return on (i) other investment products that are not FDIC insured, such as money market mutual funds and (ii) on bank deposits offered outside of the BDSP.

Your Advisory Representative does not receive any portion of the fees paid by the Program Banks.

The income we earn from Program Banks based on your balances in BDSP will in almost all circumstances be substantially greater than the amount of interest you earn from the same balances. As such, we receive a substantially higher percentage of the interest generated by deposit balances in the BDSP than the interest credited to your accounts. When evaluating whether to utilize the Sweep Program and the extent to which our fee exceeds the interest rate you receive, you should assume that we are receiving the Maximum Program Fee described above.

Insured Cash Account Program - ICAP

Royal Alliance will receive a monthly per-account fee for services it provides in connection with maintaining and administering the Sweep Program for IRAs held in an advisory/ fee-based account (the "Sweep Account Fee"). The Sweep Account Fee that each Advisor Group affiliated broker-dealer can earn from Program Accounts participating in ICAP is subject to a maximum monthly per account fee that is between \$34.25 and \$36.75. Please refer to the applicable **Sweep Program Terms and Conditions** document, which you can obtain from your Advisory Representative or from the website listed below; refer to "Disclosures," then to the FDIC Insured Deposit Program used in your account (ICAP), for further details about the maximum monthly per account fee.

The Sweep Account Fee does not depend on or vary with (and is not affected by) the actual amounts held in any particular account or your Program Account. Thus, our compensation for Program Accounts that participate in ICAP is composed solely of the Sweep Account Fee. The fee received may differ among each Program Bank. You will have no rights to the amounts paid by the Program Banks, except for interest actually credited to your account. The Sweep Account Fee will reduce the interest you are paid on the amount of assets in your Program Account.

The Sweep Account Fee will generally be paid by the Program Banks on your Program Account's behalf; however, the Fee or any portion thereof can be deducted directly from your Program Account if, for example, the amounts paid by the Program Banks are insufficient to cover the Sweep Account Fee. In the event that we debit all or a portion of the monthly account fee from your account, each such amount will be reflected on your account statement. The amount of fees received by Royal Alliance, our clearing agent, and any other service provider reduces the interest you receive on your deposit account(s).

Your Advisory Representative does not receive any portion of the fees paid by the Program Banks.

Money Market Mutual Funds - Pershing

Free credit balances in the following brokerage account types will be automatically swept into the Federated Hermes Government Reserves Fund (GRFXX), which is managed by Federated Hermes Investors ("Federated Hermes"):

- All ERISA Title 1 account types, including Profit Sharing Plans, 401(k), Roth 401(k), Simple 401(k), Individual 401(k), qualified deferred compensation plans, defined benefit plans, target benefit plans, and money purchase pension plans
- 403(b)(7) accounts
- Keogh plans

The Federated Hermes Government Reserves Fund is a money market mutual fund and seeks to maintain a stable share price of \$1.00. The Fund invests primarily in a portfolio of short-term U.S. Treasury and government securities. These investments include repurchase agreements collateralized fully by U.S. Treasury and government securities. The Fund uses repurchase agreements to provide a liquidity base for the portfolio and a potential yield advantage relative to other short-term securities. Although the Fund seeks to preserve the value

of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Royal Alliance does not receive any compensation from the Federated Hermes Government Reserves Fund.

For additional information about the [Sweep Program](http://www.advisorgroup.com/disclosures/cash-sweep-pershing) for accounts custodied at Pershing, please visit our website located at www.advisorgroup.com/disclosures/cash-sweep-pershing.

Money Market Mutual Funds - NFS

Free credit balances in the following Program Account types custodied at NFS will be automatically swept into either the Fidelity Government Cash Reserves Fund (FDRXX), or the Fidelity Government Money Market Fund – Capital Reserves Class (FZAXX) (“Fidelity Funds”), which are both managed by Fidelity Investments:

- All ERISA Title 1 account types, including Profit Sharing Plans, 401(k), Roth 401(k), Simple 401(k), Individual 401(k), qualified deferred compensation plans, defined benefit plans, target benefit plans, and money purchase pension plans
- 403(b)(7) accounts
- Keogh plans

The Fidelity Government Cash Reserves Fund and the Fidelity Government Money Market Fund are money market mutual funds and seek to maintain a stable share price of \$1.00 per share. Both Fidelity Funds invest at least 99.5% of their total assets in cash, U.S. Government securities and/or repurchase agreements that are collateralized fully (i.e., collateralized by cash or government securities). Both Fidelity Funds invests in U.S. Government securities issued by entities that are chartered or sponsored by Congress but whose securities are neither issued nor guaranteed by the U.S. Treasury. Although the Fidelity Funds seek to preserve the value of your investment at \$1.00 per share, neither can guarantee they will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Royal Alliance does not receive any compensation from Fidelity Funds.

For additional information about the [Sweep Program](http://www.advisorgroup.com/disclosures/cash-sweep-nfs) for accounts custodied at NFS, please visit our website located at www.advisorgroup.com/disclosures/cash-sweep-nfs.

Material Conflicts of Interest

Because the Sweep Program generates significant payments from third parties (i.e., the Program Banks that participate in BDSP and/or ICAP) to Royal Alliance, a conflict of interest exists. A conflict of interest also arises because we earn more compensation from cash balances being swept to or maintained in the Sweep Program than if you purchase other investment funds or securities. **The more client deposits held in BDSP, and the longer such deposits are held, the greater the compensation we, our clearing firms, and the third-party administrator receive. By investing through an advisory account, the compensation we receive from the BDSP or ICAP, as applicable, is in addition to the advisory fees that you pay. This means that we earn two layers of fees on the same cash balances in client advisory accounts with us.** If we did not receive such compensation, which is in addition to advisory, transaction, servicing and other fees and compensation related to Program Accounts, such client fees (including advisory fees) would generally be higher.

In addition, a conflict of interest arises as a result of the financial incentive for the Firm to recommend and offer a Sweep Program over which they have control of certain functions. Royal Alliance has the ability to establish and change interest rates paid on Sweep Program balances, to select or change Program Banks that participate in the BDSP and ICAP, and to determine the tier levels (if applicable) at which interest rates are paid, all of which generates additional compensation for Royal Alliance.

The Advisory Representative who makes investment recommendations for your Program Account does not receive any compensation from these payments or based on the selection of the sweep vehicle. The Firm maintains policies and procedures to ensure recommendations made to you are in your best interest. For more information about this service and benefits that we receive in connection with such deposits, please refer to the Sweep Program terms and conditions document, which you can request from your Advisory Representative.

Given the conflicts discussed above, each client should consider the importance of BDSP and ICAP to us when evaluating our total fees and compensation and deciding whether to utilize the BDSP and/or ICAP.

Item 5 – Account Requirements and Types of Clients

RAA offers investment advisory services to individuals, trusts, estates, non-profit organizations, corporations, partnerships and other types of business entities.

This Program is closed to new clients. There is no minimum account requirement for the Signator Managed Account Platform.

Item 6 – Portfolio Manager Selection and Evaluation

Envestnet is responsible for the evaluation and ongoing monitoring of the investment firms available in the Strategist Managed Portfolios program, Separate Accounts and the Unified Managed Account. Please see Envestnet's ADV Part 2A for more information.

The RAA Advisory Representative acts as portfolio manager for AMP program, and clients rely significantly on the skills and experience of the Advisory Representative and the Advisory Representative's ability to select investments within the risk tolerance and asset allocation and concentration parameters established for the UMA.

The Firm selects independent Model Providers and all independent Model Providers are subject to a due diligence process which includes annual reviews designed to determine if a manager meets a sufficient level of quality and stability through their policies and practices. Independent Model Providers are evaluated using a variety of data and information from one or more resources, which may include: public or private independent databases, responses to periodic due diligence questionnaires, quantitative and qualitative information, research, performance reports, and other pertinent information concerning the manager. Your Advisory Representative is responsible for determining whether any particular Model Provider or investment strategy is appropriate based on your stated risk tolerance and investment objectives.

The Firm does not review or verify the accuracy of any marketing or other materials, including investment performance history, that Model Provider may provide to you or your Advisory Representative. As a result, performance information and presentations may not be uniform or consistent between Model Providers.

An explanation of how your Advisory Representative selects a Model Provider can be found in Item 4 of this brochure. If your situation changes and your Advisor Representative determines that a particular selected Model Provider's asset allocation model is not consistent with your current goals and investment objectives, your Advisory Representative will contact you to discuss different investment options."

On an ongoing basis, Envestnet reviews Model Providers participating in the Program to determine whether they continue to meet Envestnet's guidelines and evaluation criteria. If Envestnet detects relevant information at any time (including qualification and/or performance concerns), we will generally follow Envestnet's recommendation as to whether to continue to include the Model Provider as an investment suitable for the Program or add a Model Provider to the Program. We receive research, performance information and other information from Envestnet about Model Providers but do not independently verify or guarantee the accuracy or validity of this information received from Envestnet, or any other source. Further, there is a chance the performance information that we receive from Envestnet may not be calculated on a uniform or consistent basis.

For approved Model Providers, Envestnet employs a multi-phase approach in its evaluation ("Due Diligence"). As part of the Due Diligence, certain types of information are analyzed, including historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. Also reviewed are the Model Provider's Form ADV Part 2 disclosure events, as well as portfolio holdings reports that help demonstrate the Model Provider's securities selection process and the prospectuses of the Funds.

Neither we nor your Advisory Representative make any representations regarding the future performance of any investment strategy of, or security recommended by, any Model Provider participating in the Program. As always, past performance is not a guarantee of future results.

Clients should refer to the disclosure documents (Form ADV Part 2 or other disclosure document) of Envestnet and/or the selected Model Providers for additional information regarding the security analysis methods, sources of information, investment strategies, and due diligence used by those parties in the management of Program accounts.

Performance Based Fees and Side-by-Side Management

Neither RAA nor its Advisory Representatives accept performance-based fees (i.e. fees based on a share of capital gains or capital appreciation of the assets of a client). Nor does RAA engage in side-by-side management (i.e. managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees). As a result, this disclosure item is not applicable.

Voting Client Securities

Neither RAA nor its Advisory Representatives vote client proxies. Clients will vote proxies associated with the AMP Program. Each third-party asset manager has its own proxy voting policies.

Item 7 – Client Information Provided to Portfolio Managers

The model providers for Strategist Managed Portfolios are provided the necessary information to construct a portfolio appropriate for the client's profiled risk range.

Through the proposal process for Advisor Managed Portfolios, the RAA Advisory Representative, acting as portfolio manager, is provided the necessary information by the client and recommends a portfolio appropriate for the client. This information includes the client's selected asset allocation and any investment restrictions requested by the client.

The portfolio managers have access to all information provided by clients to RAA. Through personal discussions with clients and account reviews, goals and objectives, based on a client's circumstances, are established. During the Firm's data-gathering process, RAA determines the client's individual objectives, time horizons, risk tolerance, and liquidity needs. RAA then develops a client's personal investment guidelines and creates and manages a portfolio based on that policy. Information obtained from the client is used to identify risk tolerance, objectives, and appropriate asset allocation.

Item 8 – Client Contact with Portfolio Managers

Clients cannot speak directly to portfolio managers, except those that are Advisory Representatives of RAA. Any questions or issues regarding the client's account or the investments selected for the client's portfolio should be directed to RAA or RAA Advisory Representative. RAA will work with Envestnet to resolve issues related to Envestnet portfolio managers.

Item 9 – Additional Information

Disciplinary Information

Disclosure of Disciplinary Action Related to the Sales of Complex Exchange-Traded Products:

On November 13, 2020, Royal Alliance Associates, Inc. entered into a settlement agreement with the Securities and Exchange Commission ("SEC") and an administrative order has been issued by the SEC. The SEC found the Firm violated Section 206 and Rule 206(4)-7 of the Investment Advisers Act of 1940. More specifically, during the period from January 2016 through April 2020, the Firm, did not adopt and implement policies and procedures reasonably designed to prevent unsuitable investments by its Advisory Representatives in volatility-linked exchange traded products ("ETPs").

Without admitting or denying the SEC's findings, the Firm agreed to cease and desist from committing or causing any violations and any future violations of Section 206(4) of the Advisers Act and Advisers Act Rule 206(4)-7. The Firm also agreed to pay disgorgement, prejudgment interest, and a civil monetary penalty totaling \$502,400.29.

The SEC noted that the Firm cooperated with the SEC and promptly took remedial steps relating to volatility-linked ETPs and imposed restrictions on holding them in all client accounts maintained at the Firm.

Disclosure of Disciplinary Action Relevant to Mutual Fund Share Classes and Wrap Accounts:

On March 14, 2016, Royal Alliance Associates, Inc., SagePoint Financial, Inc. and FSC Securities Corporation (collectively, the “Advisor Group Firms”) consented to the entry of an Order Instituting Administrative and Cease-and-Desist Proceedings (“Order”) by the U.S. Securities and Exchange Commission (the “SEC”). The Order focuses on two specific issues related to our fee-based advisory business conducted between 2012 and 2014 at the Advisor Group Firms. In summary, the SEC found that the Advisor Group Firms placed certain advisory clients invested in the Advisor Managed Portfolios program in mutual fund share classes with higher expense costs when lower expense cost share classes of those funds were available. The SEC found that this financial incentive, to place non-qualified advisory clients in higher fee share classes, presented a conflict of interest that should have been disclosed to clients. The SEC also concluded that the Advisor Group Firms failed to adopt written compliance policies or procedures governing mutual fund share class selection. In addition, the SEC found the Advisor Group Firms failed to timely monitor certain wrap advisory accounts for inactivity pursuant to Advisor Group’s written compliance policies and procedures.

Without admitting or denying the SEC’s findings, the Advisor Group Firms agreed to cease and desist from committing or causing any violations and any future violations of Sections 206(2), 206(4) and 207 of the Investment Advisers Act and Rule 206(4)-7 thereunder. The Advisor Group Firms agreed to jointly pay disgorgement of \$1,956,460 and prejudgment interest of \$93,399, a civil penalty of \$7,500,000 and to retain a qualified independent compliance consultant. To address the issues presented in the Order, the Firm has implemented new policies and procedures relating to mutual fund share class selection designed to expand the number of lower cost share classes available to advisory clients, provide training on share class selection, and require the rebating of 12b-1 fees to all advisory clients going forward. The Firm has also enhanced its Form ADV disclosures. In addition, the Firm has enhanced its policies and procedures for the review and on-going use of wrap accounts managed by the Firm’s Investment Advisory Representatives.

Disclosure of Disciplinary Action Relevant to Unit Investment Trust Sales Charge Discounts:

Effective December 2, 2015, without admitting or denying the findings, Royal Alliance (the “Firm”) entered into an Acceptance, Waiver and Consent (AWC) order with the Financial Industry Regulatory Authority (“FINRA”) regarding the Firm’s alleged failure to identify and apply sales charge discounts to certain customers’ eligible purchases of unit investment trusts (UITs) resulting in customers paying excessive sales charges of approximately \$204,000. The findings also stated the Firm paid restitution to all affected customers. FINRA also alleged the Firm failed to establish, maintain and enforce a supervisory system and Written Supervisory Procedures (WSPs) reasonably designed to ensure that customers receive sales charge discounts on all eligible UIT purchases. The Firm has enhanced its policies and procedures related to identifying and applying sales charge discounts for eligible UIT purchases. Pursuant to the order, the Firm’s payment of the \$225,000 fine was completed on December 18, 2015.

Disclosure of Disciplinary Action Relevant to Supervision of Variable Annuity Products Sold by Royal Alliance:

Effective June 30, 2015 Royal Alliance entered into a Consent Order with the State of Nevada, Department of Business and Industry, Division of Insurance (“NDOI”). Without admitting or denying the allegations, Royal Alliance consented to the described sanctions, the entry of findings, and a fine of \$21,000. Royal Alliance also agreed to report to the NDOI any complaints or potential complaints from purchasers of annuities by residents of Nevada for the period of January 1, 2007 through December 31, 2012 (the “Market Conduct Examination”) and subsequent self-audit utilizing a grading system by Royal Alliance relevant to 810 sales transactions for the same period. Royal Alliance IA Brochure – 2018.2 18 Current as of August 8, 2018

In the Order, the NDOI found deficiencies in the ability of Royal Alliance to demonstrate supervision, oversight, procedures, controls, documentation, and reports to the NDOI, in place at the time annuity products were sold, including certain violations of the Nevada Administrative Code (“NAC”) 688A.460(2) and NAC 688A.455(1).

In the Order, the NDOI recognized the remedial actions taken by Royal Alliance which included the implementation of appropriate safeguards to assure suitable sales transactions and the adequate supervision of the sales of those transactions, including the adoption of written procedures, control structures, and continuous monitoring assessment. Moreover, the NDOI acknowledged that Royal Alliance implemented appropriate audit safeguards, including a formal audit process, and documentation controls for its sales transactions.

Other Financial Activity and Affiliations

The Signator Managed Account Platform includes certain affiliated mutual funds. There is no explicit incentive for a RAA Advisory Representative to recommend an affiliated mutual fund over other mutual funds.

Advisors that offer the Program may be “Related Persons” to us. You should see the ADV Part 2A of your Advisor that will be provided to you for information regarding any of their other financial industry affiliations and for any associated conflicts of interest.

Code of Ethics

We have adopted a Code of Ethics (the “Code”) to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of an employee’s position of trust and responsibility;
- The principle that investment adviser personnel should not take inappropriate advantage of their positions;
- The fiduciary principle that information concerning the identity of your security holdings and financial circumstances are confidential; and
- The principle that independence in the investment decision-making process is paramount.

This response is only intended to provide you with a summary description of our Code of Ethics. Please refer to our Code of Ethics in its entirety located at www.royalalliance.com/disclosures.

In limited circumstances, and in compliance with the Investment Adviser’s Act of 1940, Section 206(3) and the Rules thereunder (collectively, the “Act”), we perform principal or agency cross transactions as such activities are described in the Act.

Related Person(s) to us may have an interest or position in securities which may be recommended to you.

Our Advisory Representatives, from time to time, can recommend investment products to you, including mutual funds, variable and fixed annuities, and other insurance products, sponsored, distributed, or managed by our Related Persons. Advisory Representatives may also recommend that you select portfolio managers that are Related Persons. These Related Persons may, from time to time, place brokerage transactions with Royal Alliance and refer you to us. Such recommendations and arrangements might create a conflict of interest because they may result in an increase in compensation for us, our Advisory Representatives and our Related Persons.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

We may recommend securities to you or buy or sell securities for your account at or about the same time we may buy or sell the same securities in our own account. As such, there may be instances where our interests may appear to be placed ahead of yours. However, our firm policy prohibits us from receiving a better price on our order, if you and us invest in the same security on the same side of the market on the same day.

Participation or Interest in Client Transactions

Your Advisory Representative, who may be a Related Person to us, can recommend or buy and sell securities that it or its Related Persons’ have a financial interest in. Please see the RAA ADV Part 2A for further details on these financial interests and associated conflicts of interest.

Review of Accounts

Your Advisory Representative periodically reviews your account and contacts you annually. For further account review details, please see the ADV Part 2A of your Advisory Representative.

Client Referrals and Other Compensation

As Program Sponsor, we receive a portion of the Account Fee as described in Item 4 above. For further details on compensation and other economic benefits that your Advisory Representative receives, please see their ADV Part 2A.

Financial Information

Your Program assets will be custodied at Pershing or NFS. The Program does not allow, require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We have no financial condition that might impair our ability to meet our contractual commitments to clients and have never been the subject of a bankruptcy proceeding.