



# Relationship summary for retail investors

Equitable Advisors, LLC,<sup>1</sup> (Equitable Advisors, the firm, we, us or our) is a broker/dealer registered with the Securities and Exchange Commission (SEC) pursuant to the Securities and Exchange Act of 1934 and a member of the Financial Industry Regulatory Authority, Inc. (FINRA) and Securities Investor Protection Corporation (SIPC). Equitable Advisors is also an investment adviser registered with the SEC pursuant to the Investment Advisers Act of 1940. Brokerage and investment advisory services fees differ, and it is important for you, the retail investor, to understand the differences. By visiting [investor.gov/CRS](http://investor.gov/CRS), you have access to free and simple tools to research firms and financial professionals, as well as educational materials about broker/dealers, investment advisers and investing.

## What investment services and advice can you provide me?

Equitable Advisors offers both brokerage and investment advisory services to retail investors through financial professionals (FPs) located across the country. These FPs are largely dually registered as registered representatives (RRs) licensed to offer brokerage products and as investment adviser representatives (IARs) licensed to offer investment advisory services; however, some FPs are only licensed as RRs. It is important for you to understand brokerage and advisory services and how they compare. Please note this Relationship Summary and other documents referenced herein are available at [equitable.com/CRS](http://equitable.com/CRS), our disclosure website.

Brokerage	Advisory
<b>Principal services, accounts or investments we make available to retail investors</b>	
<p>As a broker/dealer, Equitable Advisors can recommend and effect securities transactions for you, including buying and selling securities that can be either held in accounts with LPL Financial, LLC (LPL), our clearing firm (“brokerage accounts”), or held in accounts directly with the issuer of the securities purchased (sometimes referred to as “directly held accounts”). We also offer IRA accounts, where your investments will be held with the custodian of the IRA. More information about our brokerage services is available on our disclosure website.</p>	<p>As an investment adviser, Equitable Advisors can provide ongoing investment advice to you. We offer various asset management programs, including programs managed by your FP and programs managed by third-party investment advisers, as well as financial planning services. More information about our investment advisory services is available in our Form ADV Part 2A brochure, available on our disclosure website and by going online at <a href="http://adviserinfo.sec.gov/firm/summary/6627">adviserinfo.sec.gov/firm/summary/6627</a> and clicking “Part 2 Brochures.”</p>
<p>Equitable Advisors offers its brokerage services through FPs who are RRs of the firm. To become registered, these FPs must pass qualifying exams administered by FINRA. Not all of our FPs can offer the full range of broker/dealer investments and services we offer, and your FP may not be licensed in every state. Please visit <a href="http://brokercheck.finra.org">brokercheck.finra.org</a> for more information on your FP’s licenses.</p>	<p>Equitable Advisors offers its advisory services through FPs who are IARs of the firm. Not all of our FPs are IARs, and not all IARs are licensed in every state. Please visit <a href="http://adviserinfo.sec.gov/IAPD/IAPDsearch">adviserinfo.sec.gov/IAPD/IAPDsearch</a> for more information on your FP’s registration status.</p>
<p>The principal investments we make available to retail investors include: stocks; bonds and fixed income products; exchange-traded funds and notes; options; Section 529 college savings plans; a full array of registered investment companies, such as open- and closed-end mutual funds; unit investment trusts, variable life and annuity products; and alternative investments. For additional information on these securities, please visit our disclosure website and review the Equitable Advisors Principles of Investing brochure. For additional information on alternative investments, please review the Equitable Advisors Alternative Investments Guide, also on the disclosure website.</p>	<p>Equitable Advisors offers two main types of investment advisory services: asset management and financial planning.</p> <p><b>Asset management services</b> include access to ongoing advice about specific investments in wrap fee and other portfolio management programs, mutual fund asset allocation programs, and third-party investment advisory firms. With some exceptions, the investments available to you are the same as those available to you in a brokerage account.</p> <p><b>Financial planning services</b> include education, advice, and the preparation and delivery of a written financial plan or advice that will include general recommendations to help you achieve your financial goals; it does not include analysis or recommendations regarding specific investments or insurance products.</p>
<div style="background-color: #003366; color: white; padding: 10px;"> <p><b>Questions to ask your FP</b></p> <p>Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?</p> <p>How will you choose investments to recommend to me?</p> <p>What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?</p> </div>	

<sup>1</sup> Equitable Advisors is a wholly owned indirect subsidiary of Equitable Holdings, Inc. (EQH). EQH is a public company listed on the New York Stock Exchange. Equitable Advisors is also affiliated with Equitable Financial Life Insurance Company (including the trusts underlying certain products), Equitable Financial Life Insurance Company of America, EQ AZ Life Reinsurance Company, AllianceBernstein, Equitable Investment Management Group, LLC, 1290 Funds®, PlanConnect LLC, and PlanMember Securities Corporation. Equitable Advisors sells products and utilizes services of these affiliates, which, accordingly, may earn more or less revenue depending upon your investment strategy.

Brokerage	Advisory
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Account monitoring	
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Brokerage services do not include ongoing monitoring; there is no “hold” recommendation unless made explicitly and in writing. Once a transaction is executed, it is up to you to monitor the investment. We suggest you request a meeting at least annually with your FP to discuss your investments.	In each asset management program offered through Equitable Advisors, our standard services include ongoing monitoring of your investments, according to terms set forth in your investment advisory agreement, to ensure they continue to help meet your investment objectives. Our financial planning services do not include ongoing monitoring.
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Investment authority	
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While FPs may make recommendations to you as to specific securities, FPs may not exercise discretionary authority when acting in their brokerage capacity. This means FPs cannot place trades on your behalf without your consent and you must approve all transactions in your brokerage or directly held account prior to execution.	In most cases, asset management services are provided on a non-discretionary basis and FPs may not exercise discretion on your behalf when acting in their advisory capacity. This means that you must approve all transactions prior to execution. However, in a limited number of cases, you may authorize your FP or a third-party advisor to have ongoing discretion to buy and sell securities on your behalf. Please refer to Item 16 of our Form ADV Part 2A brochure for more information about discretion.
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Limits on investment offerings or investment advice	
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We offer a wide array of investments and products, with some limitations. Investment and product offerings may be limited by the specific licenses and qualifications held by your FP, so we encourage you to ask your FP about his or her licensing and product credentialing. Moreover, while Equitable Advisors offers many third-party investments and products, Equitable Advisors and its FPs also offer proprietary products — products issued by the firm’s affiliated insurance carrier (Equitable Financial Life Insurance Company) and mutual fund companies (AllianceBernstein and 1290 Funds®). For additional information on conflicts of interest related to the offering of proprietary products, and on limitations to our offerings, please review our General Conflicts of Interest Disclosure, which is available on our disclosure website.	We offer a wide variety of investment advisory services, with similar limitations that exist on the brokerage side. While Equitable Advisors provides investment advice relating to many third-party investments and products, Equitable Advisors and its FPs also provide investment advice relating to proprietary products — products issued by the firm’s affiliated insurance carrier (Equitable Financial Life Insurance Company) and mutual fund companies managed by affiliates (AllianceBernstein and 1290 Funds®). For additional information on conflicts of interest related to investment advice on proprietary products, and on limitations to our offerings, please review refer to the General Conflicts of Interest Disclosure, and Items 4, 5 and 14 of our Form ADV Part 2A brochure.
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Account minimums	
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Your brokerage account may have a minimum account balance requirement. Please refer to your account agreement for additional details. Certain investments we offer have minimum investment amount requirements.	Equitable Advisors’ advisory services and programs have specific minimum investment and/or account balance requirements. Please refer to the Products and Services Guide on our disclosure website and our Form ADV Part 2A brochure for additional details.
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## What fees will I pay?

Brokerage	Advisory
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In a brokerage account, each time you buy or sell a security (including variable life and annuities), you will typically pay a scheduled commission (or markup/markdown, if the trade is made on a principal basis) — sometimes embedded in the product price and other times charged separately — along with certain transaction fees. So in general, the more you trade, the more you pay in commissions and fees. Accordingly, if you plan to trade relatively frequently, you may wish to consider an advisory account where the AUM fee may better suit your needs. (Transfers among mutual funds within the same fund family and variable annuity sub-accounts following the initial purchase are typically not subject to commissions, and may or may not incur fees.) Because of this pricing structure, your FP usually benefits more when you place trades more often; this conflict of interest is discussed in greater detail in our General Conflicts of Interest Disclosure. Additionally, the amount of the fee and commission is not the same for every investment type. For example, mutual funds (and other types of investment company products) typically charge sales loads that are percentages based on the principal amount invested, whereas transactions in other investments such as stocks, ETFs, and bond/fixed income products involve commissions based on the firm’s published schedule that are either added to or deducted from the principal amount invested. For certain mutual funds, the firm as broker/dealer may also receive other types of brokerage-related compensation, such as distribution and servicing (12b-1) fees which are shared with your FP. For more information about the fees and costs associated with our brokerage services, please refer to our General Conflicts of Interest Disclosure.	For asset management services, you typically pay a quarterly assets under management (AUM) fee that is a percentage of AUM negotiated between you and your FP. The amount of the fee the firm can receive may not exceed 2.5% annually, and for most advisory programs it includes the cost of advisory services and certain transaction costs and administrative fees charged by the broker/dealer or bank that has custody of your assets (which can be Equitable Advisors). Depending on the account type, there are typically other additional fees, such as IRA fees, termination fees, transfer fees and low balance fees, which are described in the account opening documentation. Where the AUM fee includes the cost of multiple services, it is higher than the AUM fee associated with an advisory program that does not include the cost of advisory, brokerage and custody in one fee. Depending on the advisory program, frequency of trading, and the types of investments purchased and sold in one of our asset management program accounts, the AUM fee may result in higher fees overall. In addition, because it is generally based on a percentage, the total amount of AUM fees you pay increases as the dollar value of your account grows, and decreases when the dollar value goes down. As a result, we have an incentive to encourage you to increase the amount of assets in your account. If you plan to hold your investments for relatively long periods of time and are not interested in your FP monitoring your holdings, a brokerage account may better suit your needs. For financial planning services, clients have the option of paying asset-based fees, flat fees or hourly rates. These are billed as stated in your advisory contract. For more detailed information about the fees and costs associated with our advisory services please refer to Item 5 of our Form ADV Part 2A brochure.
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## Fees associated with investments in general

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you may make on your investments over time. Please make sure you understand what fees and costs you are paying. In addition, depending on your investments, you will pay certain ongoing fees and costs. For example, mutual funds typically also deduct other ongoing fees and expenses, such as management fees or servicing fees, from fund assets; these fees are separate from the brokerage commissions and

12b-1 fees discussed above. In the case of variable life and annuity products, additional fees and costs associated with benefits and features may also apply, and surrender fees may be charged on withdrawals. For further information about all commissions and fees associated with a product, see the product's prospectus. For more general guidance see our Principles of Investing brochure, available on our disclosure website.

## Question to ask your FP

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

## What are your legal obligations to me when providing recommendations as my broker/dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation as your broker/dealer, we must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money inherently creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

### Proprietary products

Many products we offer are issued, sponsored, or managed by the firm or its affiliates. These proprietary products create a conflict for us because our affiliates also receive fees and compensation when you purchase a product they issue, sponsor or manage. In addition, consistent with IRS Rules, FPs must meet certain minimum sales requirements in proprietary products to qualify for health and retirement benefits, and this creates an incentive to recommend proprietary products over third-party products. More about this and other related conflicts is discussed in our General Conflicts of Interest Disclosure.

### Revenue sharing

The firm receives revenue sharing in the form of marketing support payments from certain mutual funds, alternative investments, and other product providers. These payments support our marketing and training efforts, among other things, and are generally not shared with your FP. These payments cause certain products to have more visibility and prominence among FPs, and are an incentive for us to offer or continue offering investments and services that entail such payments and to encourage you to increase the amount of assets in those investments. For additional detail regarding sources of revenue and conflicts of interest, see the firm's General Conflicts of Interest Disclosure and Form ADV Part 2A brochure.

### Third-party payments

The firm and/or its FPs will receive compensation from third parties when your FP recommends certain investment platforms or investments. For example, the firm receives an advisory reallowance fee from LPL based on a percentage of advisory AUM custodied at LPL in advisory programs for which LPL is a sponsor. These fees create an incentive for Equitable Advisors to select or recommend those advisory programs that entail the payment of such fees which, because they are based on a percentage, increase when you increase the amount of assets in your advisory account in any such programs. In addition, the firm receives transaction charges, and service fees, cash sweep-related fees, IRA and qualified plan fees, administrative servicing fees for trust accounts, and marketing support from certain mutual funds and ETFs held in investment advisory and brokerage accounts, and, in non-retirement accounts, receives 12b-1 fees. These payments create an incentive for the firm to sell you investments that entail such payments and to maintain our relationships with the issuer and their affiliates. Since the amount of compensation we receive varies among and between the issuers and the different investments and types of investments that we offer as a broker/dealer, we have an incentive to sell you those investments that pay us more compensation. These fees, some of which are shared with your FP, are described in the General Conflicts of Interest Disclosure or the Form ADV Part 2A (for advisory programs), as well as in the account agreement or product offering documentation. In IRA and Qualified Plan advisory accounts, 12b-1 fees are returned or not charged. In certain instances the firm or your FP will receive a "finder's fee" from a mutual fund company for placing an investor's assets into the fund. Such a fee generally is triggered for an asset placement of at least \$1 million; the amount of the fee will be disclosed in the prospectus or Statement of Additional Information (SAI) of the mutual fund, and generally replaces the upfront commission. Certain IARs will also receive additional compensation pursuant to third-party incentive programs maintained by certain investment advisory program providers; these programs offer additional levels of service, support and rewards, and expense reimbursements to FPs as the assets placed in these programs increase. This creates an incentive for your FP to recommend the products or services of the third parties providing these finder's fees or other additional compensation over the products or services of third parties that do not provide such compensation or benefits.

## Questions to ask your FP

How might your conflicts of interest affect me, and how will you address them?

## How do financial professionals make money?

### Brokerage

**Commission for each trade.** In connection with brokerage accounts, the firm and your FP typically (see exceptions discussed above) make money in the form of a commission each time you place a trade (even initial purchases are “trades”). This creates an incentive for your FP to recommend that you trade more often. Depending on the investment product, your FP can also receive a share of 12b-1 fees, trails or sales loads paid to the firm by the product issuer. Moreover, these forms of compensation are not the same for every product, creating an incentive for your FP to recommend you purchase a product that pays more compensation.

### Advisory

**Annualized fee based on AUM.** Your FP receives part of the advisory fee charged to your account. This creates an incentive for your FP to recommend you increase the amount of assets in your advisory account in order to receive more advisory fees.

### Brokerage and Advisory

In addition to brokerage commissions and/or advisory fees, your FP will receive other compensation related to the sales of proprietary products. For example, when you purchase proprietary products in your brokerage or in your advisory account, your FP can become eligible to receive other compensation and benefits such as health, retirement and equity benefits that are detailed in the General Conflicts of Interest Disclosure. Your FP can also receive compensation in connection with certain investment advisory programs, as discussed above. We may compensate your FP in other ways as well. As an incentive to bring new FPs to Equitable Advisors from another company, we may offer forgivable loans or other cash incentives. We may also waive or reduce administrative costs or provide equity awards or other benefits as an incentive to your FP to remain with Equitable Advisors. Your FP may also receive non-cash compensation, such as awards, prizes and trips in connection with their sales activity. All of these forms of compensation create an incentive to bring more business to the firm and keep it here, which can create pressure that conflicts with your best interests. For more information about such compensation and benefits, see the General Conflicts of Interest Disclosure, the firm’s Form ADV Part 2A brochure, and/or the product prospectus or other offering documentation. We encourage you also to ask your FP for details regarding all of the ways in which he or she benefits from any recommended strategy or transaction. In addition, we encourage you to ask for such details if you are considering doing a “rollover” of retirement assets from one account to another, or if you are considering replacing one investment product with another.

## Do you or your financial professionals have legal or disciplinary history?

Yes. Visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research the firm and its financial professionals.

## Additional information

This Relationship Summary for Retail Investors, also called “Form CRS,” may change from time to time. Whenever there is an important change, we will notify you in your account statement packet, on confirmations and/or in a separate communication.

If you need any additional information about the brokerage or advisory services provided by the firm or wish to receive or access an up-to-date version of this Relationship Summary, please do not hesitate to do any of the following:

- Ask your FP.
- Visit [equitable.com/crs](https://equitable.com/crs) to access the online version of this form with links to all the documents it references.
- Call us: (866) 283-0767, Option 2. Upon request, we will send you a hard copy of our most up-to-date version of our Relationship Summary and all documents referenced herein.

In addition, for plain-language information concerning the basics of investing, diversification, common mutual fund share classes, common investment risks, 401(k) plan rollover options, firm and FP conflicts of interest, and more, see our Principles of Investing brochure on our disclosure website.

### Questions to ask your FP

As a financial professional, do you have any disciplinary history? If so, for what type of conduct?

Who is my primary contact person? Is he or she a representative of a broker/dealer or an investment adviser?

Who can I talk to if I have concerns about how this person is treating me?

Equitable Advisors, LLC (member FINRA, SIPC) (Equitable Financial Advisors in MI & TN), a broker/dealer and investment adviser registered with the SEC.

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**EQUITABLE**  
ADVISORS

# LPL FINANCIAL LLC (LPL) RELATIONSHIP SUMMARY

Effective March 31, 2022

LPL (referred to as “we” or “us”) is registered with the U.S. Securities and Exchange Commission as a broker-dealer and an investment adviser. We have a network of financial professionals (“Professionals”) who offer brokerage and investment advisory services. Brokerage and investment advisory services, and the fees we charge for them, differ, and it’s important that you understand the differences. This relationship summary will

explain the various services we offer, how we charge for those services, and conflicts of interest that exist when we provide our services. To help you research firms and financial professionals, you can access free and simple tools at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## What investment services and advice can you provide me?

Our Professionals offer brokerage services, investment advisory services, or both, depending on their licenses. Each Professional generally provides access to a range of investment products, such as stocks, bonds, exchange-traded funds (ETFs), mutual funds, annuities, and alternative investments. Please note that the range of investment options available to you may be limited depending on the licenses your Professional holds or if he or she is located at a financial institution that does not offer certain options. Your Professional or account program may also have specific

requirements, such as account or investment minimums. We encourage you to ask your Professional whether any investment limitations or account requirements apply.

If your Professional offers you both brokerage and advisory services, your Professional will inform you when he or she offers an investment recommendation or advice, and whether the recommendation or advice is part of a brokerage or advisory service. Some of the key differences between brokerage and investment advisory services are described below.

### Brokerage Services

- Brokerage services include taking your orders and executing your securities transactions; making recommendations for you to buy, sell, or hold securities; and holding your securities for safekeeping (known as having “custody” of your securities).
- In most cases, we provide recommendations to you on specific investments, but you make the final investment decisions for your account. We also have a program available through a limited number of financial institutions in which you make investment decisions on your own without any recommendations from us.
- We don’t monitor brokerage account investments for you, unless we state otherwise in writing.
- We may provide brokerage services (but not investment recommendations) to you if your Professional is providing advisory services through a separate investment advisory firm.

### Investment Advisory Services

- Some of the investment advisory services we offer include wrap fee programs and non-wrap fee programs; mutual fund asset allocation programs; advisory programs offered by third-party investment advisory firms; financial planning services; retirement plan consulting; investment research; digital advice programs; and other custom advisory services.
- You’ll typically grant us discretion to buy and sell investments in your account without asking you in advance. You may limit our discretion, such as by imposing reasonable restrictions on investing in certain securities or groups of securities. In other investment advisory accounts, you grant investment discretion to another financial institution.
- Some of our investment advisory accounts are nondiscretionary, which means you are required to preapprove each investment transaction that we recommend.
- We’ll typically monitor accounts, and specific investments within accounts, on an ongoing basis to align with your investment goals. However, in limited-scope consulting or advisory relationships, we won’t provide ongoing monitoring.



**More detailed information** about our advisory services can be found in the [Form ADV for your advisory program](#). Detailed information about our brokerage services can be found at [Brokerage Compensation Information and Related Conflicts of Interest](#). If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for hyperlinks to these documents.

### 🔗 Questions to ask your Professional:

- *Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

## What fees will I pay?

Investing is an individual journey, and we want to provide you with options. Below we outline the fees you could be charged for both brokerage and advisory accounts depending on your investment

choices. Fee Schedules for our brokerage and advisory programs can be found [lpl.com](http://lpl.com).

### Fees Associated with Brokerage Services

- For brokerage services, we charge a transaction-based fee (sometimes referred to as a commission) every time you buy or sell an investment. The amount you pay as a transaction-based fee varies according to the particular investment and amount invested. The more trades you make, the more transaction-based fees we earn. This creates an incentive to encourage you to trade often.
- For investments in stocks or ETFs, the transaction-based fee is usually charged as a separate commission or sales charge. For investments in bonds, this fee is typically included as part of the price you pay for the investment (called a markup or markdown).
- For investments in certain products like mutual funds, annuities, and alternative investments, we receive transaction-based fees from the investment product sponsor in the form of asset-based sales charges (e.g., sales loads). These fees are based on the amount invested in a product and, depending on the product, may be based on how long you hold the investment. Our receipt of asset-based sales loads creates an incentive to recommend products or sponsors that include such charges.

### Fees Associated with Investment Advisory Accounts

- For investment advisory services, we typically charge an ongoing quarterly fee (sometimes referred to as an asset-based fee). This fee is a percentage of the value of your account. You pay this fee even if you don't buy or sell investments. The more assets you have in an asset-based fee account, the more you'll pay us in fees. This creates an incentive to encourage you to increase the size of your account, including by transferring or rolling over assets from other accounts. For some types of accounts, there is a per transaction charge in addition to an asset-based fee. We may also charge an hourly fee or fixed fee for additional services such as financial planning and consulting services that are of limited duration or nature.
- For wrap fee program accounts, you will pay us a single asset-based fee for advisory services. This fee also covers most transaction costs and certain administrative and custodial costs associated with your investments. If you expect to trade infrequently or to pursue a "buy and hold" strategy, a wrap fee program may cost you more than paying for the program's services separately, and you may want to consider a brokerage relationship rather than an advisory relationship.
- The fee you pay to your Professional is generally negotiated with him or her directly, and subject to different maximums, depending on the advisory program selected.

### Other Fees and Costs

If applicable to your account, we'll charge you directly for other fees in addition to brokerage commissions and advisory fees, including: (1) account maintenance fees such as custody, trade confirmation processing, corporate actions, and transfer fees; (2) cash management fees such as cash sweep, checking, and wire fees; and (3) investment specific fees such as those for

administration of alternative investments or for foreign securities. See the Fee Schedules for our brokerage and advisory programs at [lpl.com](http://lpl.com) for more information. You should understand that these fees are not charged by us if your investment is in an account that is held directly with the sponsor, and not in an LPL investment account.

You may also incur fees charged by the particular investment product in which you are invested, including mutual funds, ETFs, and other pooled funds, in addition to brokerage commissions and advisory fees charged by us. Some of these fees may be shared, as described below in [Third-Party Payments](#). Certain investment products have significant fees triggered by particular events, e.g., annuities may include mortality, expense, and administrative fees, and fees for excessive transfers or early withdrawals.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Detailed

information on our advisory fees can be found in the [Form ADV for your advisory program](#). Detailed information on our brokerage fees can be found at [Brokerage Compensation Information and Related Conflicts of Interest](#) and, depending on the investment product in which you invest, may be included in the product's prospectus or other offering document. If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for hyperlinks to these documents.

**📌 Questions to ask your Professional:**

*Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

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## What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

*When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means. If you have questions about whether any of these situations could apply to your investments, ask your Professional.*

### Third-Party Payments

We receive compensation from third parties related to investments you make in certain products, including mutual funds, ETFs, annuities, alternative investments, and other investments. This compensation includes ongoing distribution charges (e.g., 12b-1 fees or trail payments), which an investment product charges you and then pays to us. We also receive fees from investment products and/or their sponsors for recordkeeping and other administrative services we provide in relation to your investments. In some accounts we offer, uninvested cash is automatically placed into interest-bearing federally insured bank accounts. We receive fees for your participation in these “cash sweep” programs from the banks sponsoring the programs. The fees we receive are typically higher than the interest you earn on the cash held in the bank accounts and are in addition to any fees you pay to us. This creates an incentive for LPL if you maintain a cash balance in your account. [Revenue sharing payments](#) are another type of third-party compensation we receive from sponsors who participate in our marketing programs. These programs support our product marketing to our Professionals and for education and training efforts, and facilitate communications between sponsors and our Professionals. Finally, certain sponsors pay us to make their investment products available on our platform. Because we receive

payments from these third parties, there is an inherent incentive for us to recommend or invest your assets in those investment products. Detailed information regarding third-party payments can be found in the [Third-Party Compensation and Related Conflicts of Interest](#) document on [lpl.com](http://lpl.com).

### Principal Trading

In brokerage accounts, we sometimes directly buy from you or sell to you investments including bonds or certain shares of mutual funds, unit investment trusts (UITs), or alternative investments. These are called principal trades. If the principal trade involves a bond, we receive a markup or markdown by either buying the bond from you at a lower price than we will sell it for or by selling the bond to you at a higher price than we bought it for. That creates an incentive for us to either buy the bond from you at the lowest price possible or sell the bond to you at the highest price possible and maximize our profit on the principal trade. In advisory accounts, purchases of mutual funds, UITs, or alternative investments may be processed through our proprietary account, but we do not receive a markup or markdown in these trades. Also, in certain advisory accounts where a third-party investment advisory firm has discretion, we trade as principal and receive a markup or markdown.

Detailed information on our conflicts of interest can be found in the [Form ADV for your advisory program](#) and in [Brokerage Compensation Information and Related Conflicts of Interest](#). If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for hyperlinks to these documents.

**📌 Questions to ask your Professional:**

*How might your conflicts of interest affect me, and how will you address them?*

## How do your financial professionals make money?

Our Professionals are primarily independent contractors, although a portion are employees or employees of an affiliated company. The agreement between each Professional and LPL sets out the payments we make to them. Those who provide investment advisory services receive a portion of the advisory fee you pay. Professionals who provide you brokerage services receive a portion of the commissions or markups/markdowns from your trades. Receiving a portion of the advisory or brokerage fees you pay to us creates an incentive for them to encourage you to increase your investment account size or trade more frequently. We also compensate Professionals based on production, including payments based on the amount of client assets they service and the products they sell. In addition, our Professionals receive different levels of compensation for selling different types of investments or services. This could include, for example, a share of the 12b-1 fees, trail payments, or sales loads paid to us by an investment product. Although your Professional must recommend investment products or manage your account in your best interest, these additional forms of compensation create an incentive for them to recommend specific financial products.

Our Professionals may receive compensation from us in other ways, including:

- Transition assistance if he or she moves to LPL from another company. This assistance can include forgivable loans, advance payment of advisory fees, and/or waiving or reducing other

costs associated with transitioning the Professional's business. This assistance creates an incentive to migrate and maintain business on our platform from another investment platform, and to sell or recommend the sale of investments held in an account if we do not offer those investments.

- Waived or reduced costs and fees (e.g., for administrative services that we provide for your accounts, attending our conferences and events, and free or reduced-cost marketing materials). These waived and reduced costs and fees create an incentive for Professionals to associate with us instead of other financial firms.
- Equity awards in our parent company, LPL Financial Holdings Inc., which give your Professional an incentive to remain with us during the vesting period applicable to his or her stock holdings (the period of time before the stock is unconditionally owned). This also gives the Professional a financial interest in the success of our business.

Your Professional is legally required to act in your best interest and not put his or her interests ahead of your own. We have systems in place to mitigate the conflicts of interest that arise from the way he or she makes money, including systems to review whether a recommendation is in your best interest. More information on compensation can be found at [Brokerage Compensation Information and Related Conflicts of Interest](#). If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for a hyperlink to this document.

## Do you or your financial professionals have legal or disciplinary history?

Yes. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research LPL and our Professionals.

### ❏ Questions to ask your Professional:

*As a financial professional, do you have any disciplinary history? For what type of conduct?*

## Additional Information

Please visit the [Disclosures page on lpl.com](#) for more information, including a copy of the agreement for the account and/or program you are considering, the Form ADV Brochure for any advisory program you are considering, detailed information on our brokerage services under [Brokerage Compensation and Related Conflicts of Interest](#), and more information regarding our brokerage and advisory programs under [Third Party Compensation and Related Conflicts of Interest](#).

Please visit the [Investor Regulatory & Educational Resources page](#) on [lpl.com](http://lpl.com) to learn more about how to determine your investment objective and risk tolerance, among other items.

We are affiliated with other investment firms. If your Professional works with Fortigent, LLC, you can find the relationship summary for that firm at [lpl.com/fortigent.html](http://lpl.com/fortigent.html). More information on our affiliations can be found in the [Form ADV for your advisory program](#).

If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for hyperlinks to cross-referenced documents.

**To request up-to-date information or a copy of this relationship summary, please call us at (800) 558-7567.**

We also encourage you to review the general information provided by the U.S. Securities and Exchange Commission regarding investing, choosing an investment professional, and related considerations, available by visiting [Investor.gov](http://Investor.gov).

### ❏ Questions to ask your Professional:

*Who is my primary contact person? Is he or she a representative of an investment adviser or a broker dealer? Who can I talk to if I have concerns about how this person is treating me?*



## ACCOUNT PACKET

# MANAGER SELECT ACCOUNT AGREEMENT

This Account Agreement ("Agreement") is entered into by and among LPL Financial LLC ("LPL"), a registered investment advisor and broker-dealer, Equitable Advisors ("Advisor"), a registered investment advisor ("Equitable Financial Advisors" in MI and TN), the client indicated in Section I of the Account Application ("Client" or "you"), and, if applicable, the portfolio manager indicated in Section VI of the Application ("SMA Portfolio Manager"), a registered investment advisor. Within the Manager Select program ("Program"), LPL offers two alternatives – the Separately Managed Account Platform (the "SMA Platform") and the Model Portfolio Platform (the "MP Platform" and together with SMA Platform, the "Platforms") – through which clients may invest. Client desires to open an account ("Account") with LPL and Advisor for the purpose of participating in the SMA Platform or the MP Platform. A description of the services to be provided and the parties providing the services are set forth below:

## 1. MANAGER SELECT PROGRAM, THE PLATFORMS AND SERVICES

### A. GENERAL

Advisor, through its designated investment advisor representative ("IAR"), will obtain the necessary financial data from Client, assist Client in determining the suitability of the Program, assist Client in setting an appropriate investment objective, and assist client in selecting either (i) a SMA Portfolio Manager to manage the Account, or (ii) an investment strategy implemented by LPL using a model portfolio ("Model Portfolio") provided by LPL's Research Department or a third-party investment advisor ("Model Advisor"). Advisor and IAR shall not act on a discretionary basis in relation to the Account.

Client understands that the investment objective selected for the Account in the Application is an overall objective for the entire Account and may be inconsistent with a particular holding and the Account's performance at any time. Client understands that achievement of the stated investment objective is a long-term goal for the Account. Advisor, through its IAR, will initiate the steps necessary to open the Account and be available on an ongoing basis to receive deposit and withdrawal instructions, to monitor the Account, and to convey to LPL or the SMA Portfolio Manager, as applicable, any changes in Client's financial circumstances or investment objectives. A separate Program account will be established for each SMA Portfolio Manager or Model Portfolio selected and, each Account will be managed independently of any other Program accounts of Client.

Client appoints LPL to serve as custodian of the assets in the Account. For any month that there is activity in the Account, Client will receive a periodic account statement showing account activity as well as positions held in the Account at month or quarter end. If Client so elects in the Application, Client will not receive a confirmation of the transactions that occur in the Account, and confirmation details for the transactions will be displayed on the account statement. In such case, Client may request to receive confirmation statements by contacting Advisor through its designated IAR, who will forward the request to LPL. Client may rescind the election at any time upon written notice to LPL. Client will also receive performance information annually from LPL describing account performance, positions and activity. Additional performance information is available upon request. By signing the Account Application, you authorize LPL to combine statements as instructed by you through Advisor and understand that such instructions will mean that LPL will share your account information with members of the combined group. LPL will confirm such instructions after receipt of the request. Client understands that it is important to review promptly confirmations, account statements, disclosures, and other documents and communications that LPL or Advisor provides. Client agrees to notify LPL or Advisor promptly if anything in the account documents appears inaccurate or suspicious.

The minimum account size is \$25,000 for the Program, but can be higher depending on the particular SMA Portfolio Manager strategy or Model Portfolio selected. The minimum account size is subject to waiver by LPL in the case of the MP Platform, or upon the mutual consent of LPL and SMA Portfolio Manager in the case of SMA Platform.

Client may deposit cash additions into the Account at any time in a minimum amount of \$1,000, but such deposits may remain in cash until certain conditions are met, including conditions related to trade size and position deviation from the target allocation. If previously purchased securities are deposited and subsequently liquidated (e.g., because they are not included as investments in the selected strategy or Model Portfolio), the cash proceeds from such liquidation will be invested in the same manner as described for cash additions. Client may withdraw Account assets on notice to Advisor, through its designated IAR,



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### MANAGER SELECT - ACCOUNT AGREEMENT

subject to Section 7 below. In the event Client withdrawals cause the Account asset value to fall below the required minimum, Client understands this Agreement may be subject to termination.

In the case of the MP Platform, LPL may accommodate requests by Client or Advisor, through its IAR, to have all or a portion of the assets in the Account remain allocated to cash for a period of up to 90 days. After the expiration of that time period, LPL will reinvest the Account according to the model portfolio selected. Note that the Advisory Fee will continue to be charged on the value of all assets in the account, including cash holdings. Interest rates earned in LPL's cash sweep program may be lower than the interest rates available to deposits directly with a bank or other depository institution outside of the program or to investments in a money market fund or other cash equivalent.

Customized cash requests and liquidation requests in connection with withdrawals may take up to 5 business days to process, and, in certain circumstances, may take longer. Client understands that the Account is designed as a long term investment program and that asset withdrawals (or requests to allocate all or a portion of Account assets into cash) will affect the performance of the Account.

Client understands and agrees that under certain circumstances (including but not limited to a low account balance or if, in Advisor's discretion, the Account is no longer suitable for Client), the Account may be converted to a brokerage account, in which case Client agrees that the terms of the brokerage master account agreement shall govern the account after conversion. In a brokerage account a client is charged a commission for each transaction and Advisor has no responsibility to provide ongoing advice with respect to the Account.

In order to permit trading in a tax-efficient manner, Client further expressly grants LPL or SMA Portfolio Manager the authority to select specific tax lots when liquidating securities within the Account.

In no event will LPL or a SMA Portfolio Manager be obligated to effect any transaction for Client which it believes would violate any applicable state or federal law, rule or regulation, or of the rules or regulations of any regulatory or self-regulatory body.

Notwithstanding any other provision of this Agreement to the contrary, Client understands that, although the Account may be open, the obligations of LPL, Advisor and SMA Portfolio Manager or Model Advisor, as applicable (the "Advisory Parties") to provide advisory and management services under this Agreement shall not begin until Account paperwork has been accepted by LPL and, exclusively for SMA Platform Accounts, SMA Portfolio Manager at its home office as being in good order. Acceptance of the Account will generally occur within 15 business days, but can take longer in certain circumstances, from the day completed paperwork is provided to Advisor, through its IAR.

LPL and Advisor each reserves the right to accept or reject this Agreement in its sole discretion and for any reason.

Advisor may assign a substitute IAR to service the Account under certain circumstances, including but not limited to in the event of termination or retirement of IAR.

#### B. SMA PLATFORM

Under the SMA Platform, Client authorizes SMA Portfolio Manager to purchase and sell, on a discretionary basis, securities pursuant to an investment objective chosen by Client. The SMA Portfolio Manager will direct the investment and reinvestment of the assets in the Account, in accordance with the information provided by Client in the Application. The SMA Portfolio Manager will execute the Application acknowledging its receipt and agreeing to manage the Account investments on a discretionary basis in accordance with the information contained in the Application, subject to Client meeting the minimum account and strategy size. The SMA Portfolio Manager will have discretion to invest among a broad variety of security types, including but not limited to equities, fixed income securities, options, mutual funds, closed-end funds, and exchange-traded funds ("ETFs").

If Client invests through the SMA Platform, Client hereby appoints the SMA Portfolio Manager identified on the Application to manage the Account. In connection therewith, Client directs SMA Portfolio Manager to initiate transactions through LPL as broker-dealer on Client's behalf in accordance with the terms of the trading authorization set forth below. Client hereby grants SMA



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### MANAGER SELECT - ACCOUNT AGREEMENT

Portfolio Manager complete and unlimited discretionary trading authorization with respect to the purchase and sale of securities in the Account. Client hereby appoints the SMA Portfolio Manager as his or her agent and attorney-in-fact with respect to this trading authorization. Client also authorizes SMA Portfolio Manager, at the request of the Client or Advisor, to perform tax harvesting. In order to permit trading in a tax-efficient manner, Client further expressly grants SMA Portfolio Manager the authority to select specific tax lots when liquidating securities within the Account. Other than as described in Section 15, SMA Portfolio Manager, LPL, Advisor and IAR are not authorized to withdraw or transfer any money, securities, or property either in the name of Client or otherwise. This trading authorization is a continuing one and shall remain in full force and effect and be relied upon until terminated in writing to SMA Portfolio Manager and until LPL and Advisor (through its designated IAR) have received a copy of a written termination notice, which writing will be deemed to terminate this Agreement effective upon receipt by SMA Portfolio Manager, LPL and Advisor (through its designated IAR).

Client may also provide Advisor, through its designated IAR, with instructions to not purchase certain securities, specific industries, specific sectors, and certain pre-defined categories (e.g. 'sin' stocks). Advisor, through its designated IAR, will forward those instructions to LPL for transmission to SMA Portfolio Manager. Client understands that restrictions placed on the Account can affect the performance of the Account, and the SMA Portfolio Manager may choose not to accept an account with restrictions that are inconsistent with the investments chosen by the SMA Portfolio Manager.

#### C. MP PLATFORM

Under the MP Platform, Client authorizes LPL to purchase and sell securities on a discretionary basis pursuant to investment objectives chosen by Client. LPL will direct the investment and reinvestment of the assets in the Account, in accordance with the information provided by Client in the Application and in accordance with the Model Portfolio selected for the Account. Certain of the Model Portfolios are provided by LPL's Research Department, rather than a third-party Model Advisor. LPL will have discretion to invest among a broad variety of security types, including but not limited to equities, fixed income securities, options, mutual funds, closed-end funds, and ETFs.

If Client invests through the MP Platform, Client hereby appoints LPL to manage the Account and to invest based on the Model Portfolio designed by the Model Advisor and selected by Client. In connection therewith, Client understands that transactions will be executed through LPL as broker-dealer on Client's behalf in accordance with the terms of the trading authorization set forth below. Client hereby grants LPL complete and unlimited discretionary trading authorization with respect to the purchase and sale of securities in the Account. Client hereby appoints LPL as his or her agent and attorney-in-fact with respect to this trading authorization. Other than as described in Section 15, LPL, Advisor and IAR are not authorized to withdraw or transfer any money, securities, or property either in the name of Client or otherwise. This trading authorization is a continuing one and shall remain in full force and effect and be relied upon until terminated in writing to LPL.

Client understands that LPL is expected to closely track the Model Portfolio, applying discretion only to address particular Account issues, including tax loss harvesting, rebalancing, short-term gain avoidance, cash inflows and outflows, and tracking error from the Model Portfolio, following customized requests, and to implement investment restrictions placed on the Account. LPL may also apply discretion to deviate from the model portfolios in accounts, in which it is not possible or impractical to be invested in all of a model's holdings, for example in smaller accounts. In addition, there may be limited instances where LPL may not be able to execute specific transactions specified by the Model Advisor, for example, LPL may not execute small trades. Client authorizes LPL to appoint from time to time other Model Advisors to take discretion over a portion of the Account managed according to that Model Advisor's Model Portfolio.

Client may provide LPL with instructions to not purchase certain equity securities, specific industries, specific sectors, and certain pre-defined categories (e.g., "sin" stocks). In the event that client restrictions prevent the investment in certain securities otherwise specified by a Model Advisor, assets generally will be invested pro-rata across the remaining securities in the Model Portfolio. Client understands that such restrictions will not apply to any mutual funds, ETFs or fixed-income securities that may be held in the Account. Client also understands that restrictions placed on the Account will affect the performance of the



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### MANAGER SELECT - ACCOUNT AGREEMENT

Account and that LPL may choose not to accept an Account with restrictions that are inconsistent with its chosen investments or those specified by the Model Advisor.

Client also authorizes LPL as the overlay portfolio manager, at the request of the Client or Advisor, to perform tax harvesting, which may include using the proceeds of tax-related transactions to purchase appropriate securities (such as ETFs) for an account. In such case, proceeds of tax-related transactions may be held in cash or securities until appropriate wash sale periods have expired. Once the wash sale period has expired, the related proceeds will be invested according to the current targeted allocation for the model portfolio. Similarly, LPL may delay a tax harvesting request to sell securities acquired in the previous 30 days until the wash sale period has expired. In order to permit trading in a tax-efficient manner, Client further expressly grants LPL or Advisor the authority to select specific tax lots when liquidating securities within the Account.

### 2. PROXIES AND CORPORATE ACTIONS

In the case of the SMA Platform, the SMA Portfolio Manager shall be responsible for voting proxies and exercising corporate actions solicited by, or with respect to, the issuers of any securities held in the Account unless Client directs otherwise in writing. None of LPL, Advisor or IAR shall have any authority to act in any way with regard to proxies or voluntary corporate actions in the case of the SMA Platform, including but not limited to reviewing proxy voting actions taken by the SMA Portfolio Manager.

In the case of the MP Platform, LPL shall be responsible for voting proxies or exercising corporate actions solicited by, or with respect to, the issuers of any securities held in the Account, unless Client directs otherwise in writing. LPL will vote proxies in accordance with its proxy voting policies and procedures then in effect, which will include engaging one or more third party proxy advisor vendors to make proxy voting recommendations and handle the administrative functions of voting proxies. In the case of voluntary corporate actions, LPL will follow the instructions or default election of Model Advisors without reviewing MP Program clients' individual interests. LPL reserves the right to vote proxies or take corporate actions inconsistent with the recommendations of third-party proxy advisor vendors or Model Advisors, if it determines such actions are in the best interests of MP Program clients.

Neither Advisor nor IAR shall have any authority to act in any way with regard to proxies or voluntary corporate actions in the case of the MP Platform. If Client is a plan subject to ERISA (as defined below), LPL shall vote client proxies in accordance with LPL's obligations under ERISA and applicable Department of Labor Regulations. Client may expressly retain the right and obligation to vote any proxies or exercise any voluntary corporate actions relating to securities held in the Account, provided Client provides prior written notice to LPL, and in the case of the SMA Platform, to the SMA Portfolio Manager and LPL.

Under the SMA Platform, Client hereby designates SMA Portfolio Manager, as the investment advisor with investment discretion on the Account, to receive all prospectuses, annual reports and disclosure statements for securities held in the Account. Under the MP Platform, Client hereby designates LPL, as a broker-dealer and investment advisor with investment discretion, to receive all prospectuses, annual reports, and disclosure statements for securities held in the Account. Client retains the right to rescind this designation by notifying LPL in writing. Client may request prospectuses and reports from Advisor through its IAR.

None of LPL, Advisor, IAR, or any SMA Portfolio Manager shall be obligated to render any advice or take any action on behalf of Client with respect to securities or other investments held in the Account, or the issuers thereof, which become the subject of any legal proceedings, including bankruptcies. Client hereby retains the right and obligation to take such action relating to securities held in the Account.

### 3. CLIENT AUTHORITY/ERISA AND RETIREMENT ACCOUNTS

If Client is a corporation, the party executing this Agreement on behalf of Client represents that the execution of this Agreement has been duly authorized by appropriate corporate action, and the party executing the Agreement has the authority to enter into this Agreement on behalf of corporation.



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### MANAGER SELECT - ACCOUNT AGREEMENT

If this Agreement is entered into by a trustee or other fiduciary, including but not limited to someone meeting the definition of "fiduciary" under the Employee Retirement Income Security Act of 1974 ("ERISA"), of (i) an employee benefit plan subject to ERISA (an "ERISA Plan"), (ii) a "plan" within the meaning of Section 4975(e) of the Internal Revenue Code of 1986 (the "Code"), (iii) any entity whose assets are treated as "plan assets" for purposes of ERISA or Section 4975 of the Code (a "Plan Asset Entity"), or (iv) a plan, trust or entity subject to laws similar to the fiduciary duty provisions of ERISA or the prohibited transaction rules under Section 4975 of the Code (each of the foregoing, including any related trust or funding vehicle, a "Plan" and, collectively, "Plans"), such trustee or other fiduciary ("Responsible Plan Fiduciary") represents and warrants that Client's participation in the Account is permitted by the relevant governing instrument of such Plan and laws applicable to such Plan, and that Client is duly authorized to enter into this Agreement on behalf of such Plan.

If Client is an ERISA Plan or a Plan Asset Entity holding assets of one or more ERISA Plans, Responsible Plan Fiduciary additionally represents and warrants that the Responsible Plan Fiduciary executing and delivering this Agreement on behalf of Client is a "named fiduciary" (as defined under ERISA) who has the power under the ERISA Plan(s) to appoint LPL, SMA Portfolio Manager, Advisor, and IAR to provide the services specified under this Agreement. If Client is Plan, Client shall obtain and maintain during the term of this Agreement any bond required by ERISA or other applicable law with respect to fiduciaries and shall include within the coverage of such bond SMA Portfolio Manager, Advisor and LPL. If Client is an ERISA Plan or Plan Asset Entity holding assets of one or more ERISA Plans, Responsible Plan Fiduciary agrees that it has been provided all disclosures required to be provided by the Department of Labor Regulations under ERISA Section 408(b)(2) in connection with the Program and has determined that the compensation Client pays for the services provided under this Agreement is reasonable.

If Client is a Plan (including an ERISA Plan or individual retirement account (IRA)), the person executing this Agreement authorizes LPL to collect commissions and other transaction fees and in connection with brokerage transactions, as permitted by Prohibited Transaction Class Exemption 86-128, as amended. This authorization is terminable at will by the Plan. Client acknowledges and agrees that LPL has furnished the following documents to the Plan: (a) a form for terminating this authorization; (b) a description of LPL's brokerage placement practices; and (c) a copy of the Prohibited Transaction Class Exemption 86-128. Client acknowledges and agrees that these disclosures are available on its website at <https://lplfinancial.lpl.com/disclosures/retirement-plan-disclosures.html>. Client acknowledges and agrees that Client has accessed and reviewed these disclosures to the extent Client believes necessary to provide this authorization. Copies of these disclosures are available upon request by contacting your IAR.

If the Account is being managed for a particular participant in a Plan (a "Self-Directed Account"), the term Client as used in this Agreement refers to the Responsible Plan Fiduciary and the participant, and both the Responsible Plan Fiduciary and participant must sign the Account Application. In the case of a Self-Directed Account, Client represents to LPL that the Plan's governing documents (including any applicable adoption agreement) and laws governing the Plan permit the participant to self-direct his or her investment of all assets in the Account. If LPL, Advisor or SMA Portfolio Manager receives trade instructions from participant, rather than from the Responsible Plan Fiduciary or its designee, such as a trustee, plan administrator or other delegate, Client represents that the Plan's governing documents, including any procedures established by the Responsible Plan Fiduciary, and laws governing the Plan permit the participant to provide trade instructions directly to LPL, Advisor and SMA Portfolio Manager.

In the case of a Self-Directed Account, although the Plan's governing documents allow participant to direct investments of the Account, the Plan trustee(s) remains the legal owner of the assets in the Account, and the rules regarding withdrawals, contributions and other actions are primarily governed by the Plan documents, including any related trust agreement. If participant is entitled to a distribution or withdrawal from the Account, and the Responsible Plan Fiduciary directs us accordingly, Client is aware that a distribution/withdrawal request will need to be authorized by the Responsible Plan Fiduciary in addition to participant's authorization requesting the transaction. If participant invests through this Account instead of designated investment options as may be provided by the Responsible Plan Fiduciary under the Plan, if applicable, Client acknowledges that the services (including investments) under this Agreement may be different, and the fees may be higher, than if participant invested through those designated Plan investment options. Client understands that the investment





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### MANAGER SELECT - ACCOUNT AGREEMENT

objective for this Account will be based on the investment objective of the participant as provided in the Account Application, and generally will be different from the investment objectives of other Plan accounts for different participants of the same or different Plans.

LPL and Advisor provide advisory services under this Agreement as an investment advisor under the Investment Advisers Act of 1940 (the "Advisers Act"). To the extent that the SMA Portfolio Manager or LPL has or exercises discretionary authority under this Agreement with respect to the management of assets of the Account (or otherwise provides "investment advice" under this Agreement as defined under Section 3(21) of ERISA or Section 4975 of the Code with respect to assets of the Account), the SMA Portfolio Manager (exclusively in the case of the SMA Platform) and LPL each acknowledge that it will be deemed a "fiduciary" as such term is defined under Section 3(21) of ERISA or Section 4975 of the Code, as applicable, with respect to such advisory services. This acknowledgement of status under ERISA is not intended to create or expand any "fiduciary" relationship, capacity, or obligations of LPL and Advisor under other federal, state, or local laws. Client is solely responsible for considering all relevant services, fees, and conflicts of interest applicable to the services contemplated under this Agreement (and related disclosures) before making a decision to participate in the Program, or to contribute to or withdraw assets from the Program. Client understands and agrees that neither LPL nor the SMA Portfolio Manager undertakes to act as a "fiduciary" within the meaning of ERISA or Section 4975 of the Code with respect to the Client's decision to participate in the Program, accept the terms and conditions of the Agreement, or to contribute to or withdraw assets from the Account. Client should consider whether to seek the advice of counsel or other independent experts as necessary. Unless specifically agreed to in writing, neither LPL nor Advisor serves as an "investment manager," as such term is defined under Section 3(38) of ERISA.

Client agrees to furnish LPL, SMA Portfolio Manager (if applicable), Advisor and IAR with such documents as they shall reasonably request with respect to the foregoing. Client further agrees to advise LPL, SMA Portfolio Manager (if applicable), Advisor and IAR of any event which might affect this authority or the validity of the Agreement.

#### 4. FEES AND CHARGES

As a participant in one of the Platforms, Client agrees to pay an annualized fee ("Account Fee"). The Account Fee is made up of an Advisory Fee and a Manager Fee. Additional details, as well as the maximum Account Fee are set forth in Schedule A attached hereto. For purposes of calculating quarterly Account Fee and providing performance information, the Account quarter will begin on the first day of the month in which the Account is accepted by LPL.

The initial Account Fee is due at the end of the month in which the Account is accepted and will include a prorated amount for the initial quarter. Subsequent Account Fees will be assessed at the beginning of each quarterly cycle thereafter and will be based on the value of the Account assets under management as of the close of business on the last business day of the preceding quarter (as valued by an independent pricing service, where available, or otherwise in good faith by LPL as reflected in Client's account statement) and based on the fee rate in effect at the time of assessment. At the time of a subsequent Account Fee assessment, the Account Fee will be adjusted for deposits and withdrawals during the prior quarter pro rata based on the asset value of the transaction and based on the fee rate in effect at the time of the assessment. If there is a change in the Account Fee rate negotiated between Advisor and Client during the quarter, the effective date of any increase or decrease will be at the beginning of the next quarterly cycle. All Account Fees will be deducted from the Account pursuant to the authorization granted under Section 15.

The Account Fee referenced in Schedule A includes all fees and charges for the services of Advisory Parties, including brokerage commissions for transactions effected through LPL. Client understands that the Advisory Parties, in connection with the performance of their respective services, shall be entitled to and will share in the Account Fees payable hereunder. The SMA Portfolio Manager or Model Advisor will receive the Manager Fee.

In the case of the SMA Platform, SMA Portfolio Manager pays LPL a portion of the costs associated with the use of technology necessary for SMA Portfolio Manager to perform its services under the SMA Platform.



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Client also incurs charges imposed by LPL or third parties other than SMA Portfolio Manager, Advisor and IAR in connection with investments made through a Program account; including but not limited to 12b-1, sub-transfer agent, networking and/or omnibus processing fees, mutual fund management fees and administrative expenses, fees related to American Depository Receipts, other transaction charges and service fees, IRA and Qualified Retirement Plan fees, administrative servicing fees for trust accounts, and other charges required by law or imposed by exchanges or regulatory bodies. LPL, Advisor, and/or IAR receive a portion of these third-party fees.

As an example of the foregoing, transaction fees imposed by the SEC on all sales of securities, options and single stock futures effected on a national securities exchange are passed on to your Account. The amount of this regulatory fee may vary over time, and because variations might not be immediately known to LPL, the amount may be estimated and assessed in advance. To the extent that such estimated amount differs from the actual amount of the regulatory fee, LPL retains the excess. These charges will be reflected on transaction confirmations and/or periodic statements.

Client understands and agrees that LPL, the SMA Portfolio Manager, and/or the Model Advisor may waive any fee it charges in its sole discretion in whole or in part.

Mutual funds charge a redemption fee if a redemption is made within a specific time period following the investment. The terms of any redemption fee will be disclosed in the fund's prospectus. Decisions regarding the sale of mutual funds will be made by LPL, with regards to MP Platform Accounts, or by the SMA Portfolio Manager, with regards to SMA Platform Accounts, without regard to whether Client will be assessed a redemption fee.

Client authorizes LPL to deduct all Account Fees and any other fees or charges associated with the Account from the Account and all such fees will be noted on Client's statements or other disclosures. Client acknowledges and agrees that if, LPL fails to pay SMA Portfolio Manager any fees (or portion thereof) when due because Client has failed to pay LPL fees owed under this Agreement, then Client will be responsible for remitting such unpaid fees directly to the SMA Portfolio Manager. With respect to MP Platform Accounts, LPL will retain a fee for its services as overlay portfolio manager up to 0.05% of the value of the Account.

None of LPL, Portfolio Manager, Advisor or IAR shall be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of Client.

Client acknowledges and agrees that the fees and charges and in effect for the Account shall continue until thirty (30) days after LPL has notified Client in writing of any change in the amount of the fees and charges applicable to the Account, at which time the new fees and charges will become effective unless Client notifies LPL in writing that the Account is to be closed.

#### 5. CONFLICTS OF INTEREST

In the case of the MP Platform, all transactions will be executed through LPL, and Client directs that securities transactions for the Account be initiated through LPL. In the case of the SMA Platform, Client directs SMA Portfolio Manager to execute transactions through LPL, subject to the SMA Portfolio Manager's duty as an investment advisor to seek to achieve best execution. Client understands that an SMA Portfolio Manager may choose to place some or all trades for accounts with broker-dealer firms other than LPL ("trade away" or "step outs"). Some SMA Portfolio Managers have historically placed nearly all client trades with broker-dealer firms other than LPL for execution, in particular, if the SMA Portfolio Manager follows a fixed-income, foreign or small cap investment strategy. In addition, SMA Portfolio Managers may choose to trade away from LPL in order to aggregate all client transactions into one or more larger "block trades" that are executed through one broker-dealer. This practice may enable an SMA Portfolio Manager to obtain more favorable execution, including a more advantageous net price, than would otherwise be available if orders were not aggregated into a single "block trade." It may also assist the SMA Portfolio Manager in potentially avoiding an adverse effect on the price of a security which could result from simultaneously placing a number of separate, successive or competing client orders.

When securities transactions are effected through LPL, there are no brokerage commissions charged to the Account. If an SMA Portfolio Manager chooses to execute a transaction through a broker-dealer other than LPL, the execution price will usually



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include a commission or fee imposed by the executing broker-dealer. Client understands that Client will bear any such additional trading cost, in addition to the Account Fee. The additional expenses charged by the broker-dealer executing the transaction may include commissions, mark-ups, mark-downs or "spreads" paid to executing broker dealer firm. Additionally, if a foreign currency transaction is required, there may be foreign exchange or similar fees, including but not limited to fees for foreign ordinary conversion and creation of American Depositary Receipts ("ADRs") charged by third parties as well as foreign tax charges. In many cases, the commission, mark-up, mark-down or other additional expenses charged by the executing broker-dealer or third party will be embedded in the purchase or sale price of such transactions, and not separately indicated on trade confirmations and custodial account statements provided by LPL. In evaluating whether to execute a trade through a broker-dealer other than LPL, an SMA Portfolio Manager will consider the fact that an account will not be charged additional expenses (such as a commission) if effected directly through LPL.

Client understands that LPL is not able to fully evaluate whether an SMA Portfolio Manager is meeting its best execution obligations when trading away, as it is not a party to such transactions and is not in a position to negotiate the price or transaction related charges with the executing broker. The responsibility to determine whether to trade away lies with the SMA Portfolio Manager and arises out of the SMA Portfolio Manager's individual fiduciary duty to clients. Additional information regarding equity trading away practices of SMA Portfolio Managers is available on [lpl.com/disclosures.html](http://lpl.com/disclosures.html) (see "Third-Party Portfolio Manager Trading Practices" under "Markets & Trading Disclosures").

Client should consider whether or not the appointment of LPL as the broker-dealer may or may not result in certain costs or disadvantages to Client as a result of possibly less favorable executions. In particular, Client should understand that the Account may not be able to participate in block trades effected by an SMA Portfolio Manager or Model Advisor for its other accounts, which may result in a difference between prices charged to the Account and other accounts of SMA Portfolio Manager or Model Advisor. Clients should read and understand the disclosure in Form ADV Part 2 of the SMA Portfolio Manager or Model Advisor, available from Advisor through its IAR upon request.

Client understands that, in the case of the SMA Platform, transactions in fixed income securities may involve mark-ups or mark-downs or other charges in addition to the Account Fee, and LPL may act as a principal on fixed income trades in the Account. In cases where LPL acts as a principal on fixed income trades, LPL receives additional compensation to the extent it is able to sell fixed income securities for a price higher than what it paid. This may result in higher costs and lower performance than Client would have otherwise received.

Client authorizes LPL, in the case of the MP Platform, or SMA Portfolio Manager, in the case of the SMA Platform, to aggregate transactions for Client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the Account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. For partially filled orders on the MP Platform, LPL will generally allocate trades pro-rata or on some other basis consistent with the goal of treating all clients equitably over time.

Client should understand that the share class offered for a particular mutual fund through the Program in many cases will not be the least expensive share class that the mutual fund makes available. As a result, LPL or SMA Portfolio Manager will not achieve best execution for purchases of share classes that are more expensive because the recordkeeping and other expenses make it a more expensive share class than Client otherwise would be eligible to purchase had LPL chosen to make that share class available. Client understands that another financial services firm may offer the same mutual fund at a lower overall cost to the investor than is available through the Program.

Client should be aware that certain mutual funds held in the Account charge fees such as 12b-1 fees, a portion of which are received by LPL. The amount of a mutual fund's 12b-1 fee is described in the mutual fund's prospectus under fund expenses and is also reflected on the fund's financial statements. Any 12b-1 fees paid to LPL by mutual funds held in the Account (other than cash sweep money market funds ("Sweep Funds") described in Section 17 below) will be credited to the Account.



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Certain money market funds charge fees such as 12b-1 fees, a portion of which is received by LPL and Advisor. The amount of 12b-1 fees is described in the money market's prospectus under fund expenses and is reflected on the fund's financial statements.

LPL has fee arrangements with investment advisors or distributors ("sponsors") of mutual funds, ETFs, annuities, alternative investment products, and structured products that are available for purchase in an Account, called revenue sharing. Under these arrangements, the sponsor pays LPL a fee based on the amount of client assets invested in the sponsor's funds or products or a fixed fee, and LPL provides marketing support to the sponsor and allows the sponsor to access IARs so that the sponsor can promote such funds or products. Client understands that this type of arrangement gives LPL a financial incentive to have LPL clients invest in participating funds or products instead of those whose sponsors do not make such payments to LPL.

LPL does not receive compensation for directing orders in equity securities to particular broker/dealers or market centers for execution.

LPL credits to the Account funds belonging to Client such as dividends, interest, redemptions, and proceeds of corporate reorganizations on the day such funds are received by LPL. These funds come to LPL from issuers and various intermediaries in which LPL is a participant, such as the Depository Trust Company ("DTC"). Information regarding when LPL credits the Account with funds due the Account, when those funds are available to the Account, and/or when Client begins earning interest on the funds is available from LPL.

In connection with servicing the Account, Client acknowledges and agrees that Client will be charged by LPL certain incidental miscellaneous fees and charges. These fees are set out in the Miscellaneous Account and Service Fees Schedule attached hereto. These fees include, for example, an annual IRA maintenance fee and an account termination fee for processing a full account transfer to another financial institution. These fees are not directly based on the costs of the transaction or service by LPL, often include a profit to LPL, and certain of the fees are lowered or waived for certain customers. These fees are subject to change at the discretion of LPL. Client will be notified of these charges and any changes through information provided with periodic statements for the Account.

If Client is invested in the Sweep Fund, it may be managed by the same SMA Portfolio Manager or Model Advisor that Client has selected for the Account. If that is the case, Client hereby acknowledges and agrees that the SMA Portfolio Manager or Model Advisor receives fees under this Agreement and from the Sweep Fund with respect to Client's assets invested in the Sweep Fund.

Securities held in the Account which are in "street name" or are being held by a securities depository are commingled with the same securities being held for other clients of LPL. Client ownership of these securities is reflected in LPL's records. Client has the right at any time to require delivery of any such securities which are fully paid for. The terms of many bonds allow the issuer to partially redeem or "call" the issue prior to the maturity date. Certain preferred stocks are also subject to being called by the issuer. Whenever any such security being held by LPL is partially "called", LPL will determine, through a random selection lottery process as prescribed by DTC, the ownership of the securities to be submitted for redemption without regard to unsettled sales. In the event that such securities owned by Client are selected and redeemed, the Account will be credited with the proceeds. Should Client wish not to be subject to this random selection process, Client must instruct LPL to register and deliver the securities to Client. Delivery will be effected provided that Client's securities are unencumbered or have not already been called prior to the receipt of Client's instructions. If Client takes delivery of the securities, they are still subject to call by the issuer and they will no longer be considered assets in the Account for management purposes. The probability of one of Client's securities being called is the same whether they are held by Client or by LPL for Client. Please refer to the "Marketing & Trading Disclosures" section of the "Disclosure" page on [lpl.com/disclosures.html](http://lpl.com/disclosures.html) for LPL's Call Securities Lottery Disclosure. In addition, a detailed description of the random selection procedure is available upon request.

Consistent with the overriding principle of best execution for equities, LPL directs orders in equity securities to exchanges and market makers based on an analysis of their ability to provide rapid and quality executions. In an effort to obtain best execution for equities, LPL may consider several factors, including price improvement opportunities (executions at prices superior to the then prevailing inside market on OTC or national best bid or offer for listed securities).



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If Client is a participant in an employer-sponsored retirement plan such as a 401(k) plan, and decides to roll assets out of the plan into the Account, Advisor has a financial incentive to recommend that Client invest those assets in the Account, because Advisor will be paid on those assets, for example, through advisory fees. Client should be aware that such fees likely will be higher than those a participant pays through a plan, and there can be maintenance and other miscellaneous fees. As securities held in a retirement plan are generally not transferred to the Account, commissions and sales charges will be charged when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan.

Client understands that cash awaiting investment or reinvestment will be invested in a money market mutual fund, insured cash account ("ICA") or deposit cash account ("DCA") and that certain fees and expenses shall be incurred in connection with the money market fund, ICA or DCA, which are in addition to the Account Fee.

Client also understands that Advisor and IAR are prohibited from taking personal possession of Client securities, stock powers, monies or any other personal or real property in which Client may have an interest. In addition, Client understands that Advisor and IAR may not lend to or borrow from Client any monies or securities. Client further agrees not to enter into any other business relationship with Advisor or IAR including, but not limited to, helping to capitalize or finance any business of Advisor or IAR, except as may be authorized in writing by Advisor, and in compliance with Advisor's policies and procedures.

Client understands that SMA Portfolio Manager, Model Advisor, LPL, Advisor, IAR and their affiliates perform advisory and/or brokerage services for various other clients, and that they may give advice or take actions for those clients that differ from the advice given or the timing or the nature of any action taken for the Account. In addition, the Advisory Parties may, but are not obligated to, purchase or sell or recommend for purchase or sale any security which they or any of their affiliates may purchase or sell for their own accounts or the account of any other client. Although Advisor and IAR are acting as investment advisor and investment advisor representative, respectively, in this Program, Advisor is also registered as a broker-dealer and IAR as a broker-dealer registered representative, and may provide services to Client and/or others in that capacity outside of the Program.

#### 6. LIMITATION OF LIABILITY

To the fullest extent permitted under applicable law, none of LPL, Advisor, IAR, and SMA Portfolio Manager, exclusively in the case of the SMA Platform, and their directors, employees, and affiliates shall not be liable for any loss incurred with respect to the Account, except where such loss directly results from such party's negligence or misconduct. Client acknowledges that SMA Portfolio Manager, LPL, Advisor, IAR, and their employees are not agents of each other or of any of their affiliates, and that no party shall be liable for any act or omission of another party of their agents or employees. Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which Client may have under federal or state securities laws (or ERISA, where applicable).

Client further understands that there is no guarantee that Client's investment objectives will be achieved and that past performance is not a guarantee of future results. SMA Portfolio Manager, LPL, and Advisor shall not have any liability for Client's failure to inform LPL and Advisor (through its designated IAR) in a timely manner of any material change in Client's financial circumstances which might affect the manner in which Client's assets are allocated, or to provide LPL and Advisor, through its designated IAR, with any information as to Client's personal and financial status as LPL and Advisor (through its designated IAR) may reasonably request.

LPL shall not be liable for any loss or loss of profits caused, directly or indirectly, by government restrictions, exchange or market rulings, suspension of trading, lack of access to or latency of trading systems, rioting, mayhem, acts of terrorism, war, outbreak of sickness or disease, strikes, fire, flood, cyber attack, sabotage, network failure, system outage, computer viruses or other conditions beyond LPL's control, to the extent losses are not otherwise covered by the LPL Cyber Fraud Guarantee, which can be viewed at [lpl.com](http://lpl.com).

LPL is a member of the Securities Investor Protection Corporation ("SIPC"). SIPC provides protection for the Account for up to \$500,000, including \$250,000 for claims for cash. The account protection applies when a SIPC member firm fails financially and is unable to meet obligations to securities customers, but it does not protect against losses from the rise and fall in the market





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value of investments. More information on SIPC, including obtaining a SIPC Brochure, may be obtained by calling SIPC directly at (202) 371-8300 or by visiting [www.sipc.org](http://www.sipc.org).

#### 7. ASSIGNMENT/TERMINATION

This Agreement may not be assigned or transferred in any manner by any party without the written consent of all parties receiving or rendering services hereunder; provided that LPL, Advisor or SMA Portfolio Manager, exclusively in the case of the SMA Platform, may assign this Agreement upon consent of Client in accordance with the Advisers Act. Notwithstanding the foregoing, LPL may not assign this Agreement without Advisor's prior written consent.

Client understands and agrees that if this Agreement is terminated and Client does not provide instructions otherwise, the Account will be converted to a brokerage account, in which case Client agrees that the terms of the brokerage master account agreement shall govern the account after conversion.

This Agreement may be terminated by any party effective upon receipt of written notice to the other parties ("Termination Date"). Upon termination, LPL will deliver securities and funds held in the Account as instructed by Client. Client may also request that the Account be liquidated. If upon termination, Client does not provide LPL with instructions to deliver the securities and funds held in the Account within 60 days, LPL may at its discretion (i) disburse certificates of outstanding securities from the Account to Client; (ii) notify the transfer agent that LPL no longer custodies or services Account assets and they will thereafter remain at the transfer agent until Client instructs them otherwise; or (iii) liquidate the Account and disburse the funds to Client by check, subject to applicable law. LPL will initiate instructions to deliver funds and/or securities within two weeks of Client's written request. If an account is liquidated as a result of a termination notice, LPL will have a period of 72 hours to begin liquidations unless special circumstances apply. Upon termination, LPL reserves the right in its sole discretion at any time to close the Account and liquidate assets. Proceeds will be payable to Client upon settlement of all transactions in the Account. Client will be entitled to a prorated refund of any pre-paid quarterly Account Fee based upon the number of days remaining in the quarter after the Termination Date.

If the Account is closed within the first six months by Client or as a result of withdrawals which bring the Account value below the required minimum, LPL reserves the right to retain the pre-paid quarterly Account Fee for the current quarter or cancel and rebill all transactions in the Account at normal and customary brokerage commission rates, in order to cover the administrative cost of establishing the Account which may include costs of transferring positions into and out of the Account, data entry costs in opening the Account, costs associated with reconciliation of positions in order to issue performance information, and costs of re-registration of positions.

Client understands and agrees that, in the event of Client's death or incapacity during the term of this Agreement, the authority of LPL, Advisor and SMA Portfolio Manager (in the case of the SMA Platform) under this Agreement shall remain in full force and effect until such time as LPL, Advisor and SMA Portfolio Manager have been notified otherwise in writing by the authorized representative of Client or Client's estate.

Termination of the Agreement will not affect the liabilities or obligations of the parties arising from transactions initiated prior to termination.

#### 8. CONFIDENTIALITY

LPL, Advisor, IAR and SMA Portfolio Manager, exclusively in the case of the SMA Platform, will share information about Client, the Account, and Client's participation in the Program with each other in order to provide the services contemplated by this Agreement. LPL, SMA Portfolio Manager, Advisor, and IAR will keep Client information confidential and will not use or disclose it to others without Client's prior consent except as described in their privacy policies. Use and disclosure of Client information may be further limited by additional confidentiality undertakings between LPL, SMA Portfolio Manager, Advisor, and/or IAR. Client acknowledges, understands, and agrees that for our mutual protection, LPL may electronically record telephone conversations. Client agrees not to record any telephone conversation without express written authorization by LPL and the individual(s) engaged in the conversation.



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#### **9. SEVERABILITY**

If any provision of this Agreement shall be held or made nonenforceable by a statute, rule, regulation, decision of a tribunal or otherwise, such provision shall be automatically reformed and construed so as to be valid, operative and enforceable to the maximum extent permitted by law or equity while most nearly preserving its original intent. The invalidity of any part of this Agreement shall not render invalid the remainder of this Agreement and, to that extent, the provision of this Agreement shall be deemed to be severable.

#### **10. VALUATION**

In computing the market value of any security or other investment in the Account, each security listed on a national securities exchange shall be valued by LPL, as of the valuation date, at the closing price on the principal exchange on which it is traded unless closing price is not available. Any listed security for which closing price is not available and any other security or investment in the Account shall be valued in a manner determined in good faith by LPL to reflect fair market value.

For any assets purchased within the Account, the cost basis is the actual purchase price including transaction charges. For any assets transferred into the Account, original purchase price is used as the cost basis to the extent such information was submitted to LPL by Client or a former service provider. It is Client's responsibility to advise LPL immediately if the cost basis information is portrayed inaccurately. Statement calculations and figures should not be relied upon for tax purposes.

#### **11. GOVERNING LAW**

This Agreement shall be construed under the laws of The Commonwealth of Massachusetts in a manner consistent with the Advisers Act and the rules and regulations of the Securities and Exchange Commission thereunder (and ERISA, where applicable).

#### **12. RECEIPT OF DISCLOSURE DOCUMENTS**

Client acknowledges receipt of Advisor's Relationship Summary and Form ADV Part 2, LPL's Relationship Summary and Manager Select Program Brochure ("Brochure"), SMA Portfolio Manager's Relationship Summary and Form ADV Part 2 (in the case of the SMA Platform), Model Advisor's Relationship Summary and Form ADV Part 2 (in the case of the MP Platform), and IAR's Brochure Supplement. The disclosure documents, including any amendments or information related to such documents, may be sent to Client at Client's postal or electronic mail address of record. To the extent made available by LPL and/or in accordance with applicable law, Client agrees to receive such disclosure documents and related information electronically, including through web access. Client understands the investment approach, related risk factors, and the fees associated with investing in the Account.

#### **13. ENTIRE AGREEMENT/AMENDMENT**

This Agreement represents the entire agreement between the parties with respect to the subject matter contained herein. This Agreement may be amended by LPL upon thirty (30) days written notice to all parties. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of any other agreement between Client and Advisor, the terms and conditions of this Agreement shall control with respect to the Program.

#### **14. ACCOUNT APPLICATION**

The Account Application, incorporated herein by reference and made a part of this Agreement, must be completed in full by Client and the accuracy of its contents is hereby acknowledged by Client. By signing the Account Application, Client and SMA Portfolio Manager agree to the terms and conditions of this Agreement. The Advisor and LPL may accept the Account electronically. Client further acknowledges that it is Client's responsibility to provide LPL, SMA Portfolio Manager (as applicable), Advisor and IAR with updated information as necessary and that SMA Portfolio Manager, LPL, Advisor and IAR have the right to rely on this information. Client acknowledges and agrees that the Account Application does not make or imply any guarantee to the attainment of your investment objective. Client agrees to promptly notify LPL in the event that his or her



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country of residence or citizenship status changes, and Client acknowledges and agrees that such notification may result in termination of his or her account by LPL under Section 7 above if LPL does not service accounts in the new jurisdiction.

Important information about procedures for opening this Account: To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. Client is required to provide the following information, among other items, on the Account Application: name, address, date of birth and other information that will allow LPL to confirm Client's identity. In addition, Advisor, through its designated IAR, may also ask to see a valid driver's license or other identifying documents.

#### 15. AUTHORIZATION TO DEBIT ACCOUNT

Client hereby authorizes LPL to debit all Fees payable pursuant to Section 4 and any other fees or charges associated with the Account directly from the Account. It is agreed by Client, SMA Portfolio Manager (exclusively in the case of the SMA Platform), and LPL that the Account Fee will be payable, first, from free credit balances, if any, in the Account, second, from the liquidation or withdrawal (which Client hereby authorizes) by LPL of Client's shares of any money market fund or balances in the insured cash account ("ICA") or deposit cash account ("DCA"), if applicable, and third, from the liquidation (which Client hereby authorizes) by LPL of any other securities or assets in the Account. Client acknowledges that the liquidation of securities or assets as described in this Section may result in additional transaction and/or other fees or charges and may have tax consequences. Accounts may establish procedures to pay the Account Fee directly rather than through a debit to the Account. Any different method of billing Account Fees may result in the imposition of additional charges to cover the administrative costs of billing.

#### 16. NOTICES AND COMMUNICATIONS

To the extent permitted by applicable law, notices and communications may be sent to Client through mail, overnight express delivery, or electronically, at the discretion of LPL or Advisor. Notices and communications will be sent to the postal or electronic address, which includes a telephone number ("E-Address"), shown on the Account Application or at such other postal or E-Address as Client may hereafter provide to LPL or Advisor in accordance with procedures LPL and/or Advisor may establish from time to time. The E-Address may be an e-mail address, telephone number, or other electronic access address only as may be explicitly permitted by the procedures established by LPL and Advisor.

LPL or Advisor may, at its option, send notices and communications to Client electronically either:

- to Client's E-Address, or
- by posting the information online to a site maintained by LPL and/or Advisor and sending Client a notice to Client's postal address or E-Address telling Client that the information has been posted and providing instructions on how to view it.

Communications may include text (SMS) messages, which may be informational, transactional, or commercial (marketing) in nature and which may be sent using an automatic telephone dialing system, from or on behalf of LPL or Advisor. By completing the Account Application and providing a telephone number to LPL and/or Advisor, Client provides consent for LPL and/or Advisor to send communications by text (SMS) message. Client may be charged by his or her wireless service provider in connection with receipt of such messages. Client may stop the receipt of text (SMS) messages by contacting their Advisor.

To the extent permitted by applicable law, notices and communications will be deemed delivered when sent, whether actually received or not, even if LPL or Advisor has notice of non-delivery. Notices and communications posted to an online location by LPL or Advisor will be deemed to be delivered to, and received by, Client at the time that LPL or Advisor sends notice to Client in accordance with this Agreement that the notice or communication is posted online and available for review.

Client agrees that Client will notify LPL and Advisor immediately in the event of a change to Client's postal address or E-Address. All notices and communications to LPL or Advisor must be provided in writing at LPL's or Advisor's postal address, as applicable, and as such address may be updated by notice to the other parties from time to time. Any notice Client sends LPL or Advisor will not be effective until actually received. Client assumes the risk of loss in the mail or otherwise in transit.



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#### 17. AUTOMATIC CASH SWEEP PROGRAM

By signing the Account Application, Client is selecting and agreeing, with respect to assets held at LPL, to have cash balances in the Account transferred automatically into a sweep program, depending on the type of Account. Below is a summary of the general terms and conditions of the sweep programs offered by LPL.

The applicable sweep program will be implemented upon LPL's acceptance of the Account, as discussed above, by Advisor. Pending acceptance, cash balances not otherwise invested at your direction will be held in your Account as a free credit balance, as discussed more fully below.

#### Multi-Bank Insured Cash Account ("ICA") or Deposit Cash Account ("DCA") Program General Terms and Conditions

If the Account is eligible for the ICA or DCA program, you hereby authorize and direct LPL to automatically deposit available cash balances (from securities transactions, dividend and interest payments, deposits and other activities) in the Account into interest-bearing Federal Deposit Insurance Corporation ("FDIC") insured deposit accounts ("Deposit Accounts") at one or more banks or other depository institutions (each, a "Bank"), as provided for in such programs. In selecting the ICA or DCA program for your eligible Account, you agree that: you have independently chosen the ICA or DCA program for your Account, fees of LPL and the program administrator, as discussed below, are reasonable and appropriate for the services being provided under the program, you have reviewed the ICA Disclosure Booklet or the DCA Disclosure Booklet (as applicable) and you have not relied on the advice or recommendation of LPL in making this selection. You understand and agree that LPL and Advisor have no obligations to consider, choose or recommend alternative sweep products to the one you have chosen.

Eligibility. The ICA program is available for accounts of individuals, trusts, sole proprietorships, and entities organized or operated to make a profit, such as corporations, partnerships, associations, business trusts, and other organizations. In the future, LPL may, at its sole discretion, make additional account types eligible for the ICA program or may choose to treat an otherwise eligible person as *ineligible* if LPL becomes aware that the person is prohibited as a matter of law from holding balances at any Bank. The DCA program is available only to IRAs subject to Section 4975 of the Code in certain LPL advisory programs, including traditional, rollover, Roth, inherited IRAs and Coverdell education savings accounts (ESAs) held by an eligible person. Please consult Advisor for additional details concerning eligibility.

FDIC Insurance. Cash balances deposited through the ICA or DCA program are eligible for insurance by the FDIC up to \$250,000 in principal and accrued interest per depositor for each FDIC-defined ownership category in an individual bank. As your agent, LPL will sweep cash out of your LPL Account and into the participating Banks, subject to certain capacity limits, but not to exceed the maximum levels of insurance as defined by the FDIC per category. LPL will limit your total deposit at any participating Bank to allow for the monthly interest being applied to your Account in an effort to maintain deposit levels that do not exceed the maximum levels of insurance (as defined by the FDIC per category). Should your assets reach the maximum amount of insurance as defined by the FDIC per category, LPL will continue to place funds with other participating banks to provide the maximum deposit insurance limits established for ICA or DCA. To view the current program maximum deposit insurance limits for ICA or DCA, which assumes that you hold no FDIC-insured deposits at a Bank other than through ICA or DCA and that all Banks have capacity to accept additional deposits, see the ICA or DCA Current Interest Rate pages on [lpl.com/disclosures.html](http://lpl.com/disclosures.html) under "Automatic Cash Sweep Programs and SIPC Coverage" and "FDIC-Insured Bank Deposit Sweep Programs (LPL ICA and DCA)." After you reach the ICA or DCA program's maximum insurance coverage for you, which is subject to Bank capacity limits and your decision to opt out of one or more Banks, any additional cash will be deposited into one or more of the Excess Banks (as defined in the applicable ICA or DCA Disclosure Booklet). Additional cash held through the ICA or DCA program that is above the ICA or DCA program's maximum insurance coverage for you will not be eligible for FDIC deposit insurance. Cash held uninvested or invested in a money market mutual fund is not eligible for FDIC deposit insurance, but is eligible for protection by the SIPC. Deposit Accounts are not protected by the SIPC. LPL itself is not an FDIC-insured depository institution. The FDIC's deposit insurance coverage only protects against the failure of an FDIC-insured depository institution. Pass-through insurance coverage is subject to conditions. Please see the ICA Disclosure Booklet and the DCA Disclosure Booklet, as applicable, for more information. A list of applicable banks into which your cash may be deposited is



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available by visiting <https://www.lpl.com/disclosures/lpl-financial-fdic-insured-bank-deposit-sweep-programs.html> and following the links for the applicable bank lists based upon your account type, or ask your financial professional for this information.

The ability of the ICA and DCA program to sweep your uninvested cash into Bank Deposit Accounts depends, however, on the capacity of the Banks to accept new deposits. "Overflow Balances" are cash in the ICA or DCA in excess of the applicable program maximum FDIC insurance limits or cash for which there is insufficient deposit capacity in the ICA or DCA Banks. When Overflow Balances exist, LPL will temporarily deposit into one or more of the Banks in excess of FDIC coverage limits resulting in deposits not being eligible for FDIC insurance or will otherwise use the overflow mechanisms described below. When Bank capacity is restored, your funds are re-allocated to Banks within the program to fully insure your assets up to the program maximum.

Lack of Deposit Availability or FDIC Insurance; Overflow Mechanisms. If there are Overflow Balances in ICA, such balances may be placed into an "overflow" Client Cash Account; such balances are considered to be "free credit balances" and represent a direct liability of LPL to Client. LPL will pay you interest on such balances in an amount equal to the rate otherwise payable on cash balances in ICA. Please see the disclosures below regarding Free Credit Balances.

If there are Overflow Balances in DCA, such balances may be placed into an "overflow" money market mutual fund. You hereby authorize LPL to direct such DCA Overflow Balances held in your Account to the Goldman Sachs Asset Management ("GSAM") Financial Square Government Fund. LPL receives compensation of up to 0.45% annually of LPL client assets invested in GSAM from the money market fund sponsor in connection with recordkeeping fees and other compensation. Please see the other disclosures below regarding Money Market Mutual Sweep Funds for additional disclosures applicable to Overflow Balances invested in GSAM.

Interest. In both the ICA and DCA Program, Client will earn the same rate of interest for the respective program as stated on [lpl.com/disclosures.html](http://lpl.com/disclosures.html) regardless of the Bank in which the Client deposits are held. Interest will accrue daily on balances from the day funds are deposited into a Bank through the business day preceding the date of withdrawal from that Bank. In the ICA program, interest will be compounded daily and credited monthly. In the DCA program, interest is credited to the Client Account monthly (or when you close the Account, if done prior to month-end). This process is described in more detail in the ICA Disclosure Booklet or DCA Disclosure Booklet (as applicable) available from Advisor or on [lpl.com/disclosures.html](http://lpl.com/disclosures.html). The interest rates paid are determined by the amount the Banks are willing to pay minus the fees paid to LPL and other parties for administering the program. The interest rates accruing on funds may change as frequently as daily without prior notice. The most up-to-date interest rates are found on [lpl.com/disclosures.html](http://lpl.com/disclosures.html). Different rates apply for amounts invested in money market mutual funds.

Fees. In the ICA program, LPL receives a fee equal to a percentage of the average daily deposit balance in each ICA Deposit Account, a portion of which LPL pays to Advisor. The fee paid to LPL will be at an annual rate of up to an average of 600 basis points as applied across all ICA Deposit Accounts taken in the aggregate. In the DCA program, LPL receives a flat fee per account with the fee indexed to the Fed Funds Target (FFT) interest rate, a portion of which LPL pays to Advisor. If the FFT interest rate is represented as a range, then the FFT interest rate will equal the midpoint of such range rounded up to the nearest basis point. For details on how the fees are determined, please reference the ICA Disclosure Booklet or DCA Disclosure Booklet (as applicable) available from Advisor or on [lpl.com/disclosures.html](http://lpl.com/disclosures.html).

Tax Information. In the ICA Program, for most clients, interest earned on deposits in the Deposit Accounts will be taxed as ordinary income in the year it is received. A Form 1099 will be sent to Client each year showing the amount of interest income Client has earned on deposits in the Deposit Accounts. In the DCA Program, for most clients, interest earned on deposits in Deposit Accounts will generally not be taxed in the year earned. Tax interest earned by your IRA is generally not taxed until you take a distribution, and may not be liable to tax if your IRA is a Roth IRA, subject to certain conditions. Client should consult with a tax advisor about how the ICA or DCA program, as applicable, affects Client.

Termination of Participation. You can terminate your Account's participation in the ICA or DCA program, as applicable, at any time without penalty, upon notice to LPL.





## ACCOUNT PACKET

### MANAGER SELECT - ACCOUNT AGREEMENT

More Information. For more specific information about the terms and conditions of the ICA or DCA program, please see the ICA Disclosure Booklet or DCA Disclosure Booklet (as applicable) available from Advisor or on [lpl.com/disclosures.html](http://lpl.com/disclosures.html).

#### **Money Market Mutual Fund Sweep Program General Terms and Conditions**

Eligibility. If your Account is not eligible for ICA or DCA, or you have been notified that your Account will be eligible for money market sweep through a negative consent letter in connection with a transfer of your Account to LPL from another firm, you hereby authorize and direct LPL to automatically invest available cash balances (from securities transactions, dividend and interest payments, deposits and other activities) in shares of a money market mutual fund. If Client Account is a non-retirement account and a specific Sweep Fund is not otherwise directed by you, you hereby authorize LPL to direct the cash balances held in your Account to the J.P. Morgan U.S. Government Money Market Fund (unless you own a foreign account and then it will be the J.P. Morgan U.S. Treasury Liquidity Fund). A non-retirement account is one not held by an ERISA Plan or otherwise subject to Section 4975 of the Code Contact your Advisor to learn about the specific share class you will be invested in or to learn about other Sweep Funds that may be available.

No FDIC Insurance. Investments in money market mutual funds are not guaranteed or insured by the FDIC or any other government agency. Although money market mutual funds seek to preserve a net asset value of \$1.00 per share, there is no guarantee that this will occur. LPL is a member of SIPC. For accounts held at LPL, SIPC provides account protection up to a maximum of \$500,000 per client, of which \$250,000 may be claims for cash. This account protection applies when a SIPC member firm fails financially and is unable to meet obligations to securities customers, but it does not protect against losses from the rise and fall in the market value of investments. More information on SIPC, including obtaining a SIPC Brochure, may be obtained by calling SIPC directly at (202) 371-8300 or by visiting [www.sipc.org](http://www.sipc.org).

Fees. LPL receives compensation of up to 1.00% annually of LPL client assets invested in the Sweep Funds from the money market fund sponsor in connection with 12b-1 fees, recordkeeping fees and other compensation. Advisor earns fees based on the amount of assets in the Sweep Funds.

More Information. For more complete information about any of the Sweep Funds available under this sweep program, including all charges and expenses, please contact Advisor for a free prospectus. Client may obtain information with respect to the current yields available on the Sweep Funds by contacting Advisor.

#### **Changes to Sweep Programs**

LPL may make changes to the sweep programs, for example, to replace one Sweep Fund with another money market mutual fund or to adjust its overflow mechanisms. If the Account is not eligible for the ICA or DCA program, but later becomes eligible for one of the programs, LPL may switch the sweep program from the money market mutual fund sweep program to the ICA or DCA program. Client will be provided with notice of such change prior to the effective date of the change.

#### **Alternatives to Sweep Programs**

Shares in the money market mutual funds that LPL offers as a non-sweep investment alternative may be purchased by Advisor. Cash balances in the Account, however, will not be automatically swept into these money market mutual funds. Debits in the Account will be paid automatically from available cash balances in the Account and then from funds in the sweep programs. In the event there are no funds available in these accounts to cover debits, Client or Advisor would need to liquidate separately purchased money market fund holdings or other securities to cover the required debits.

#### **Free Credit Balances**

Your selection of a sweep program above will not be effected until your Account paperwork has been accepted by Advisor as being in good order, or, in the case of an account converting via negative consent to LPL, at the time your Account transfers to LPL. Until such time, available cash balances (from securities transactions, dividend and interest payments, deposits and other activities) will not be automatically swept and will be held as a free credit balance. A free credit balance is a liability of LPL and payable to the Account on demand. Interest will not be paid to the Account on free credit balances, other than for ICA



## ACCOUNT PACKET

### MANAGER SELECT - ACCOUNT AGREEMENT

Overflow Balances maintained in Client Cash Accounts. Unless we hear from you to the contrary, it is our understanding that any free credit balances held in your Account are pending investment.

Free credit balances may be used by LPL in the ordinary course of its business subject to the requirements of Rule 15c3-3 under the Securities Exchange Act of 1934. The use of client free credit balances generally generates revenue for LPL in the forms of interest and income, which LPL retains as additional compensation for its services to its clients. Under these arrangements, LPL will generally earn interest or a return based on short-term market interest rate prevailing at the time.

If you are acting on behalf of a Plan, you as a Plan fiduciary agree that you have determined that holding cash balances, pending LPL's acceptance of the Account, as a free credit balance, which does not earn income for the Plan, is both (i) reasonable and in the best interests of the Plan and (ii) that the Plan receives no less, nor pays no more, than adequate consideration with respect to this arrangement. If the Plan fiduciary chooses to avoid holding un-invested cash as a free credit balance, the Plan fiduciary should not fund the Account until after your account paperwork has been accepted by Advisor as being in good order.

#### Further Information

For further information about LPL's sweep programs or the Account, please contact Advisor.

### 18. RIGHT TO ADVOCATE AND REFUSAL TO ACCEPT ORDERS

LPL shall have the right at its sole discretion to advocate administratively or judicially on your behalf where LPL suspects exploitation of any kind, dementia and/or undue influence.

In addition, LPL shall have at its sole discretion the authority to pause or refuse to obey any instructions or orders for, including but not limited to, transactions, disbursements, or account transfers. For UTMA or UGMA accounts in which the beneficiary reaches the age of majority, LPL reserves to the right to refuse orders or instructions and to terminate or deactivate the account.

### 19. TRUSTED CONTACT PERSON DISCLOSURE

You understand by providing a trusted contact person in the Account Application, you give permission to LPL, Advisor and their associated persons, including your IAR, to use their discretion to contact the trusted contact person and disclose information about you and your Account in order to:

- address concerns that you might be a victim of financial exploitation which could include fraud, coercion, or unauthorized transactions,
- address a temporary hold on a disbursement of funds or securities pertaining to possible financial exploitation or other concerns,
- confirm your current contact information,
- confirm and address your whereabouts and health status, and/or
- confirm the identity of any legal guardian, executor, trustee, holder of a power or attorney, or other person who may be acting on your behalf (such as an attorney or accountant).

### 20. JOINT AND SEVERAL LIABILITY: JOINT ACCOUNT

If more than one individual is establishing an account with LPL, the obligations of all persons establishing such Account under this Agreement shall be joint and several. If this is a joint account, each of you signing the Account Application and Agreement (each a "joint owner") agrees that each joint owner shall have authority to (a) buy, sell, and otherwise deal in, through LPL as a broker, securities and/or other property, (b) to receive confirmations, statements and communications of every kind related to the Account, (c) to receive and dispose of money, securities and/or other property in the Account, (d) to make, terminate, or modify this Agreement and any other written agreement relating to the Account or waive any of the provisions of such agreements, and (e) generally to deal with LPL as if each of you alone was the sole owner of the Account, all without notice to



## ACCOUNT PACKET

### MANAGER SELECT - ACCOUNT AGREEMENT

the other joint owner(s). Each of you agrees that notice to any joint owner shall be deemed to be notice to all joint owners. LPL may follow the instructions of any of the joint owners concerning the Account and make delivery to any of the joint owners of any and all securities and/or other property in the Account, and make payments to any of the joint owners, of any or all moneys in the Account as any of the joint owners may order and direct, even if such deliveries and/or payments shall be made to one of the joint owners personally. LPL shall be under no obligation to inquire into the purpose of any such demand for such deliveries and/or payments.

In the event of the death of any of the joint owners, the surviving joint owner(s) shall immediately give LPL written notice thereof. The estate of any deceased joint owner shall be liable and each survivor will be liable, jointly and severally, to LPL for any debt or loss in the Account resulting from the completion of transactions initiated prior to LPL's receipt of a written notice of such death or debt or loss incurred in the liquidation of the Account or the adjustment of the interests of the joint owners. LPL reserves the right to require written instructions from all Account holders, at its discretion.

#### 21. ARBITRATION

Client agrees to direct any complaints regarding the handling of Client's account to IAR, Advisor and to the LPL Legal Department in writing.

This Agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award, unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first hearing date.
- The Panel of Arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.

In consideration of opening one or more accounts for you, you agree that any controversy or claim arising between you and one or more of the Advisory Parties, and their parents, subsidiaries, affiliates, officers, directors, employees, agents, and Third-Party Service Providers (as defined below) (whether or not a FINRA (as defined below) member or associated person), arising out of or relating, in whole or in part, to your account, transactions with or for you, this Agreement or any other agreement you have entered into with LPL, or the construction, performance, or breach of this Agreement or any other agreement you have entered into with LPL, whether entered into prior, on or subsequent to the date hereof, shall be settled by arbitration to be filed at and to be conducted in accordance with the rules, then in effect, of the Financial Industry Regulatory Authority (FINRA). If the claim or controversy is not arbitrable before FINRA, then such claims shall be filed and adjudicated in a court of competent jurisdiction. To the extent any claim on a class or collective or representative basis is nonarbitrable under the law, then such claims shall be filed and adjudicated in a court of competent jurisdiction, and not in arbitration. A court of competent jurisdiction (and not an arbitrator) shall resolve any dispute about the formation, validity, or enforceability of any provision of this arbitration agreement. Further, in the event of a forum dispute, a court of competent jurisdiction shall determine whether such claim is arbitrable. Any arbitration award hereunder shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction. Nothing in this this Agreement requires arbitration of any claim that under the law cannot be made subject to a pre-dispute agreement to arbitrate claims, including any dispute or controversy nonarbitrable under federal law.



**ACCOUNT PACKET**

**MANAGER SELECT - ACCOUNT AGREEMENT**

This arbitration agreement will be binding upon and inure to the benefit of the parties hereto and their respective representatives, attorneys-in-fact, heirs, successors, assigns, and any other persons having or claiming to have a legal or beneficial interest in any account you maintain at LPL, including court-appointed trustees and receivers. This arbitration agreement will also inure to the benefit of third-party service providers that assist or enable LPL to provide services hereunder including investment and investment product manufacturers and insurance and annuity carriers (“Third-Party Service Providers”), and such Third-Party Service Providers are deemed to be third-party beneficiaries of this arbitration agreement.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

**SCHEDULE A - FEES**

Client agrees to pay the following fees for the Account, (collectively, the “Account Fee”):

MAXIMUM ACCOUNT FEE (ANNUALLY).....2.95%

DETAILED FEE BREAKDOWN	MAXIMUM FEE (ANNUALLY)
Advisory Fee.....	2.35%
Manager Fee.....	0.60%

Advisory Fee. The Advisory Fee will be as stated in the Account Application or otherwise agreed in writing in the event of an Advisory Fee increase. The Advisory Fee is charged for the investment advisory services of Advisor as well as the investment advisory, administrative, trading, custodial, and clearing services of LPL. The Advisory Fee is negotiable and is based on the value of the assets in the Account, including cash holdings, and payable quarterly in advance. The Advisory Fee will not exceed 2.35%. Upon request, the Advisory Fee may be structured on a tiered basis and/or grouped basis, with a reduced percentage rate based on reaching certain thresholds in the Account or in a group of eligible advisory accounts.

Manager Fee. Client will pay a Manager Fee set by LPL for services provided by the SMA Portfolio Manager in the case of the SMA Platform and for use of the model portfolio of the Model Advisor in the case of the MP Platform. The Manager Fee is based on the value of all assets in the Account, including cash holdings, and payable quarterly in advance. This fee ranges from 0% to 0.60%. The amount of the Manager Fee will differ depending on the SMA Portfolio Manager or Model Advisor selected for Account, and also may vary depending on which investment strategy or Model Portfolio is selected. For Model Portfolios in the MP Platform, LPL retains (or charges) a fee of up to 0.05% of account assets per year for its services as overlay portfolio manager. In addition, for certain Model Portfolios designed by LPL, LPL will pay up to 0.02% of the Manager Fee to market index providers as a licensing fee. Where LPL retains portions of the Manager Fee, there is a conflict of interest for us to recommend such models. Your Advisor does not receive any portion of the Manager Fee, including based on recommending a model for which LPL retains this compensation.

If the client changes the model selected for the Account, or if the model investment value changes, the overall Account Fee may increase or decrease. LPL reserves the right to increase the upper limit of the Advisory Fee and/or Manager Fee range(s) upon 30 days’ prior notice to clients.



# Miscellaneous Account and Service Fees Schedule - Advisory

The listed fees below do not include advisory fees. These fees apply to the following advisory program accounts: Strategic Asset Management (SAM) and Manager Select. Some of these fees may not apply to all of these account types. Some of these fees may be waived under certain conditions.<sup>1</sup>

ACCOUNT OR SERVICE	FEE	FREQUENCY
<b>ACCOUNT MAINTENANCE</b>		
Corporate Actions — Mandatory (if securities are in physical form)	\$15	Per security
Corporate Actions — Voluntary or Mandatory with Options (if election is made)	\$15	Per security
Express Mail/Overnight Delivery	\$15	Per shipment unless otherwise noted
Extension for Money or Securities Received Past Settlement	\$15	Per event
Interest Charged for Money or Securities Received Past Settlement 'Cash Due Interest Rate.'	10.25%	Begins accruing 3 days after trade settlement
Only charged if accrued interest exceeds \$25 for the period.		
Legal Transfer — for processing of certificate requiring legal documentation (e.g., power of attorney, court appointment, death certificate, corporate resolution, etc.)	\$20	Per security
Outgoing Account Transfer — for processing full account transfer of all assets and positions to another financial institution (excludes retirement accounts)	\$125	Per account
Outgoing Account Transfer Check — for processing outgoing account transfer of physical checks	\$15	Per check over \$1,000
Return/Rejected Item/Non-Sufficient Funds (NSF)	\$20	Per item
Small Account Fee <sup>2</sup>	\$10	Per quarter (for accounts below \$100,000)
<b>Retirement Account Fees:</b>		
Annual IRA Maintenance — for custodial and tax reporting services provided to maintain an individual retirement account (IRA)	\$40	Per year/per account
Annual QRP and 403(b)(7) Maintenance — for custodial and tax reporting services provided to maintain qualified retirement plan (QRP) or 403(b)(7) account	\$50	Per year/per account
IRA/QRP and 403(b)(7) Termination	\$125	Per account
QRP and 403(b)(7) Loan Processing	\$50	Per loan
Roth IRA Conversion	\$25	Per conversion
990-T Filing	\$100	Per 900-T
1099-R for Omnibus/Pooled QRPs	\$50	Per 1099-R
<b>CASH MANAGEMENT SERVICES</b>		
Stop Payment	\$10	Per check
Wired Funds	\$30	Per wire
Deposit Cash Account sweep fee <sup>3</sup>	\$1.75 (as of 7/1/2021, subject to change)	Monthly, per account
<b>INVESTMENT SPECIFIC</b>		
<b>Alternative Investment (AI) Products<sup>4</sup>:</b>		
AI Product Processing	\$50	Per transaction
AI Administration	\$35	Per year/per position (\$100 max)
AI Unrelated Business Taxable Income (UBTI) Filing — for preparation and filing of tax forms for UBTI, if applicable	\$100	Per required filing
AI Custody Analysis Fee per the AI9-EQH & AI12-EQH for Private Securities	\$250	Per custody review
<b>Foreign Securities:</b>		
Foreign Transaction Tax <sup>5</sup>	0.3%	Per purchase transaction
Transaction (not applicable to American Depository Receipts)	\$40	Per transaction or transfer
Transfer and Ship	\$250	Per transfer
<b>Physical Certificates / Transfer and Ship</b> — for issuance of physical certificate upon request (rate depends on transfer agent)	\$25	Manual charge
<b>Restricted Securities</b> — Legend Removal	\$50	Per legal transfer
<b>Stock Option</b> — Exercise (Cashless)	Margin Interest Rate	Per transaction
<b>Transaction Charges<sup>4</sup>:</b>		
Equities (including Closed-end Funds)	\$7	Per transaction
ETFs <sup>6</sup>	\$0, \$9	Per transaction
Fixed Income <sup>7</sup>	\$15	Per transaction
Mutual Funds <sup>8</sup>	\$0, \$4.50, \$26.50	Per transaction
Systematic Trade <sup>9</sup>	\$0	Per transaction
Options	\$25	Per transaction
Unit Investment Trusts	\$15	Per transaction

Commissions and fees are subject to change. This schedule does not include all securities transaction types or fees. Equitable Advisors may receive compensation related to 12b-1 and administrative servicing fees from the money market funds and from the fee paid from participating banks in the Insured Cash Account program.

If you need additional information, please contact Equitable Advisors Broker/Dealer Services toll-free at 1-866-487-7484 for assistance.

<sup>1</sup> See account agreements for more information. These fees generally are not based directly on the costs of the transaction or service, and may include a profit.

<sup>2</sup> This fee applies to SAM accounts only.

<sup>3</sup> This fee only applies to IRAs that participate in the DCA Program. This monthly fee is based on a fee schedule tied to current Fed Funds Target Rate as detailed in the DCA Disclosure Booklet located on LPL.com. It is expected that this fee will be recouped from the DCA Program Banks and will not be a fee directly applied to your account. For more information, see the DCA Disclosure booklet.

<sup>4</sup> These fees apply to SAM accounts only.

<sup>5</sup> A Foreign Transaction Tax is charged by LPL on foreign equity security purchases where the underlying non-U.S. securities are from French or Italian issuers. This tax is levied by the French or Italian governments, and the charge offsets the tax incurred by LPL Financial as a result of executing the transaction on your behalf.

<sup>6</sup> The charge is \$0 for an ETF whose sponsor participates in LPL's ETF No Transaction Fee Network.

<sup>7</sup> This charge does not apply to Structured Product purchase transactions.

<sup>8</sup> This fee applies to SAM accounts only. The charge is \$0 for a Full Participating Fund (a fund that pays a certain level of recordkeeping fees to LPL and/or is part of LPL's "No Transaction Fee Network"), \$4.50 for a Participating Fund (a fund that pays a certain level of recordkeeping fees to LPL), and \$26.50 for a Non-Participating Fund (a fund that does not pay recordkeeping fees or pays below a certain level of recordkeeping fees to LPL).

<sup>9</sup> Systematic trades will not be subject to any trading costs if a minimum of 4 systematic executions occur. If the execution minimum is unmet, standard trading fees will be applied retroactively. Systematic trades can only be established for existing positions.

## Make Checks Payable as Follows:

John Doe 001  
123 Main St.  
Your Town, USA  
Date: 12/1/16

PAY TO THE ORDER OF: LPL Financial \$ 600.00

six hundred dollars DOLLARS  
Notes: Account Number Signature: John Doe

## Security Endorsement Instructions:

For value received, (Leave Blank) hereby sells, assigns and transfers unto (Leave Blank) shares represented by the within certificate and do hereby irrevocably constitute and appoint (LPL Financial) as Attorney to transfer the said shares on the books of the within named Corporation with full power of substitution in the premises.

Dated: (Date Signed)

Signed: (Sign Exactly as Registered on the Front, With All Signatures)

LPL Financial serves as the principal sponsor, an investment advisor and the broker/dealer, and Equitable Advisors, LLC (Equitable Financial Advisors in MI and TN) serves as an investment advisor for LPL Financial investment advisory programs offered through Equitable Advisors' financial professionals.



**EQUITABLE**  
ADVISORS

Equitable Advisors, LLC • Registered Investment Advisor and Broker-Dealer, Member FINRA/SIPC •  
Equitable Financial Advisors in MI and TN  
LPL Financial LLC A Registered Investment Advisor • Member FINRA/SIPC

**FS01-EQH**

Revised 0324





## LPL Privacy Notice for Equitable Advisors' Clients

As a full-service financial services company providing clearing and other services, LPL processes the transactions you make in the account with your securities firm. LPL also maintains records about the account with your securities firm and provides information about your securities account when you access your securities firm's website. Pursuant to its agreements with your securities firm, LPL has agreed to keep non-public personal information about customers of your securities firm confidential as described in this Privacy Notice.

We at LPL are committed to maintaining the trust and confidence of the customers of your securities firm. We recognize the importance of protecting the confidentiality of non-public personal information that we collect about the customers of your securities firm. We want you to understand how we protect your privacy when we collect and use information about you, and the measures we take to safeguard that information. The information is used to ensure accuracy in reporting and recordkeeping, to maintain customers' accounts and to carry out requested transactions. Keeping this information secure is a priority for us.

1. We collect non-public personal information about the customers of your securities firm from the following sources:
  - Information you provide your securities firm on applications and other standard forms (such as name, address, Social Security number, assets, and types and amounts of investments, transactions and income).
  - Information about you from transactions with your securities firm.
  - Information we receive from your securities firm or collect on its behalf.
2. We restrict access to non-public personal information about you to authorized employees who need to know that information. We maintain physical, electronic and procedural safeguards that are designed to comply with federal standards to guard your non-public personal information.
3. We collect and maintain non-public personal information about you on behalf of your securities firm and will be disclosing the information to your securities firm in accordance with our agreements. We will not use any non-public personal information we collect or maintain on behalf of your securities firm for any other purpose.
4. We may disclose non-public personal information about you to affiliates who are providing services in accordance with our agreements with your securities firm. We may also disclose non-public personal information about you to non-affiliated third-party firms with whom we have contracted to perform services on our behalf, such as printing, mailing, fraud protection, and data processing services in accordance with our agreements with your securities firm.
5. If you decide to close your account with your securities firm or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.
6. If you are also an LPL customer, you may receive more than one Privacy Notice from us. However, information we collect and maintain about you as an LPL customer will be kept separate from information we collect about you as a customer of your securities firm. Information we collect and maintain about you as a customer of your securities firm will be kept confidential as described in this Privacy Notice. Information we collect and maintain about you as an LPL customer will be kept confidential as described in the other LPL Privacy Notices you receive. We apologize for any inconvenience this may cause you.
7. We may also disclose non-public personal information about our customers as required by law or permitted under our agreements with your securities firm. These disclosures typically include information disclosed in connection with litigation and governmental regulatory requirements and to process transactions on your behalf, to conduct our operations, to follow your instructions as you authorize, or to protect the security of our financial records.
8. We reserve the right to change this policy at any time. You will be notified if any changes occur.
9. If you have questions after reading this Privacy Notice, please contact us by writing to: LPL Financial Attn: Privacy Office  
1055 LPL Way Fort Mill, SC 29715
10. The LPL Financial family of affiliated companies are LPL Financial, and its subsidiaries and affiliates, including: LPL Insurance Associates, Inc.; PTC Holdings, Inc.; The Private Trust Company, N.A.; Allen & Company of Florida LLC, DBA Allen & Company; Fortigent, LLC; Fiduciary Trust Company of New Hampshire; Bay Financial Associates, LLC; and FRG Holdings, LLC.



EQUITABLE

# Privacy notice

## What does Equitable do with your personal information?

### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some, but not all, sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. **Please read this notice carefully to understand what we do.**

### What?

The types of personal information we collect and share depend on the product or service you have with us. When you open an account, we will use this information to verify your identity to comply with laws. This information can include:

- Social Security number and date of birth
- Demographic information
- Financial information
- Contact information (e.g., residential address, phone number)
- Medical information
- Other information specific to you (e.g., driver's license number, passport number, employment status)

When you are no longer our customer, we continue to share your information as described in this notice.

### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons Equitable chooses to share and whether you can limit this sharing.

Reasons we can share your personal information	Does Equitable share?	Can you limit this sharing?
<b>For our everyday business purposes, and those of your financial professional —</b> such as processing your transactions, maintaining your account(s), responding to court orders and legal investigations, or reporting to credit bureaus	Yes	No
<b>For our marketing purposes —</b> to offer you our products and services	Yes	Yes
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes —</b> information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes —</b> information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	Yes	Yes
<b>For nonaffiliated companies to market to you</b>	No <sup>1</sup>	We don't share

<sup>1</sup> For clients of Equitable Advisors: If your financial professional (FP) moves to another brokerage or investment advisory firm, your FP is permitted to take certain basic contact information about you to the new firm so your FP may inform you of the move; you always have the option of keeping your investments at Equitable Advisors or moving them to another firm.

## Who we are...

### Who is providing this notice?

Equitable, on behalf of itself, and those of its affiliates listed in the **Other important information** section.

## What we do...

### How does Equitable protect my personal information?

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

We also comply with applicable state laws and regulations regarding protection of personal information.

### How does Equitable collect my personal information?

We collect your personal information, for example, when you:

- Open an account
- Purchase products
- Request information about a product or marketing materials
- Make a financial transaction
- Make a claim

Your personal information may be collected from persons other than you (e.g., credit bureaus, Medical Information Bureau, payment processors), and may be disclosed in certain circumstances to third parties without your authorization; however, you do have the right to access and correct any and all personal information we have collected about you.

### Why can't I limit all sharing?

Federal law gives you the right to limit only:

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

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

## Definitions

### Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies (e.g., distribution entities, investment managers, reinsurers).

### Nonaffiliated companies

Companies not related by common ownership or control. They can be financial and nonfinancial companies (e.g., print vendors, payment processors, third-party administrators).

### Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

### Questions?

Call (877) 806-4573 or visit [equitable.com/privacy-security-and-fraud](https://equitable.com/privacy-security-and-fraud).

#### Other important information:

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EQUITABLE

**ACCOUNT PACKET**

**MANAGER SELECT  
PROGRAM BROCHURE**

LPL Financial LLC  
1055 LPL Way, Fort Mill, SC 29715  
[www.lpl.com](http://www.lpl.com) (704) 733-3482

September 19, 2024

This wrap fee program brochure provides information about the qualifications and business practices of LPL Financial (“LPL”). If you have any questions about the contents of this brochure, please contact LPL at [lplfinancial.adv@lplfinancial.com](mailto:lplfinancial.adv@lplfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about LPL also is available on the SEC’s website at <https://adviserinfo.sec.gov/>.

**ITEM 1 COVER PAGE**

**ITEM 2 MATERIAL CHANGES**

The following is a summary of certain changes made to this Brochure from the time of the most recent annual update dated March 31, 2023. Item 4 was updated to reflect that the Manager Fee may include a licensing fee of up to 0.02% payable to market index providers. Item 6 was updated to provide information about a conflict of interest your advisor faces when recommending investment products that follow a similar investment strategy. Item 9 was updated to provide information regarding disciplinary events, involving (i) FINRA sanctions in connection with LPL’s supervisory systems and procedures relating to transmittal of customer funds by wire or check to third parties; (ii) a settlement with the Massachusetts Securities Division in connection with LPL’s supervision of electronic signature practices at an LPL branch office in Massachusetts; (iii) FINRA sanctions in connection with supervisory systems and maintenance of books and records relating to brokerage direct business transactions, supervisory systems and misstatements about fees relating to brokerage product switch transactions, and supervisory systems relating to brokerage recommendations of publicly traded securities of business development companies (BDCs) to customers; and (iv) a settlement with the SEC that included a \$50,000,000 fine for failing to maintain required records of certain business-related communications. Item 9 was also updated to disclose that LPL Enterprise, LLC (“LPLE”), a registered broker-dealer and related person of LPL, is expected to become a registered investment adviser in 2024, and certain LPLE clients will invest in LPL-sponsored and -custodied advisory programs.

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**ITEM 4 SERVICES, FEES, AND COMPENSATION**

**Services**

LPL sponsors various types of advisory programs, including wrap fee programs and mutual fund asset allocation programs. LPL makes these programs available to client directly and also through third party investment advisor firms (“Advisor”). This



## ACCOUNT PACKET

### MANAGER SELECT - PROGRAM BROCHURE

Brochure provides a description of LPL's Manager Select program when offered through an Advisor. For more information about LPL's advisory services and programs other than Manager Select, please contact your Advisor for a copy of a similar brochure that describes such service or program or go to <https://adviserinfo.sec.gov/>.

In the Manager Select program, Advisor, through its investment advisor representatives ("IARs"), makes available to clients the investment advisory services and/or model portfolios of third-party portfolio management firms. Within the Manager Select program, LPL offers two alternatives – the Separately Managed Account Platform (the "SMA Platform") and the Model Portfolio Platform (the "MP Platform" and collectively, the "Platforms"). In connection with the Platforms, LPL acts as an investment advisor, serves as the custodian of the assets, provides brokerage and execution services as a broker-dealer on transactions, and performs administrative services, such as reporting to clients. Advisor through its IAR assists the client to determine the client's investment objectives and risk/return preferences, to identify any investment restrictions on the management of the account, and, in the case of the SMA Platform, to select an investment strategy and SMA Portfolio Manager, or in the case of the MP Platform, to select a model portfolio ("Model Portfolio") provided by LPL's Research Department or third-party investment advisors ("Model Advisors").

#### *SMA Platform*

In the SMA Platform, Advisor through its IAR assists the client to determine the client's investment objectives and risk/return preferences, to identify any investment restrictions on the management of the account, and to select an investment strategy and SMA Portfolio Manager. Advisor through its IAR provides the client with ongoing advice and monitoring relating to the SMA Portfolio Manager's services and serves as the point of contact between the client and the SMA Portfolio Manager with regards to changes in the client's investment objective, financial situation, and investment restrictions.

The SMA Portfolio Manager selected by the client provides ongoing discretionary investment advice regarding the investment and reinvestment of account assets in accordance with the investment objective, restrictions and guidelines set forth in the Application or in other agreed-upon written instructions. The SMA Portfolio Manager independently determines whether to accept the client account based on the content of the Account Application, suitability, and whatever other factors the SMA Portfolio Manager deems appropriate. The SMA Portfolio Manager has the sole authority to determine the securities to be purchased, sold, or exchanged and which portion, if any, of the assets shall be held uninvested. The SMA Portfolio Manager has discretion to invest among a broad variety of security types, including equities, fixed-income securities, options, mutual funds, and exchange-traded funds ("ETFs"). LPL and Advisor do not play a role in the selection of particular securities to be purchased or sold. A SMA Portfolio Manager may hire one or more sub-advisors to manage all or a portion of a client's account.

#### *MP Platform*

In the MP Platform, the Advisor through its IAR assists the client in setting an appropriate investment objective and selecting a model portfolio ("Model Portfolio") provided by LPL's Research Department or third-party investment advisors ("Model Advisors"). Advisor through its IAR provides the client with ongoing advice and monitoring relating to the Model Portfolio, is available on an ongoing basis to receive deposit and withdrawal instructions, and to convey to LPL any changes in Client's financial circumstances, investment objectives or investment restrictions. Under the MP Platform, LPL provides ongoing discretionary investment advice regarding the investment, reinvestment, and the rebalancing of account assets in accordance with the Model Portfolio selected by the client. LPL is expected to closely track the Model Portfolio, making modifications only to address particular account issues, including tax loss harvesting, rebalancing, short-term gain avoidance, cash inflows and outflows, and tracking error from the Model Portfolio, and to ensure that investment restrictions are being followed. LPL may also apply discretion to deviate from the model portfolios in accounts, in which it is not possible or impractical to be invested in all of a model's holdings, for example in smaller accounts.

### **Fee Schedule**

In the Platforms, clients pay LPL an annualized fee ("Account Fee"). The Account Fee is made up of an Advisory Fee and a Manager Fee. If the client changes the model selected for the Account, or if the model investment value changes, the overall Account Fee may increase or decrease. LPL reserves the right to increase the upper limit of the Advisory Fee and/or Manager





## ACCOUNT PACKET

### MANAGER SELECT - PROGRAM BROCHURE

Fee range(s) upon 30 days' prior notice to clients. LPL, Advisor, IARs, SMA Portfolio Managers and Model Advisors do not charge performance-based fees to accounts in the Platforms.

**Advisory Fee.** The Advisory Fee is charged for the investment advisory services of Advisor, as well as the investment advisory, administrative, trading, and custodial services of LPL. The Advisory Fee is shared with the Advisor. The Advisory Fee is negotiable between the client and the Advisor and is based on the value of all assets in the account, including cash holdings, and is payable quarterly in advance. The maximum Advisory Fee is 2.35%, although certain legacy accounts may remain higher, so long as the maximum combined Advisory Fee and Manager Fee is no more than 2.95%. Upon request, the Advisory Fee also can be structured on a tiered basis, with a reduced percentage rate based on reaching certain thresholds in the Account.

LPL retains a portion of the Advisory Fee, up to 0.35% of the value of the assets of the account, for its investment advisory, administrative, custody and clearing services. LPL shares up to 100% (typically between 90% to 100%) of the remaining portion of the Advisory Fee with the Advisor based on the agreement between LPL and the Advisor. LPL retains any portion of the Advisory Fee not shared with the Advisor.

**Manager Fee.** The Manager Fee is charged for the services provided by Model Advisor or SMA Portfolio Manager, as applicable. Clients do not pay LPL or Advisor brokerage commissions or transaction charges for execution of transactions in addition to the Account Fee. For more information, see below under "Additional Information – Brokerage Practices."

Clients pay a Manager Fee set by LPL for services provided by the SMA Portfolio Manager in the case of the SMA Platform and for use of the model portfolio of the Model Advisor in the case of the MP Platform. The Manager Fee is based on the value of all assets in the Account, including cash holdings, and payable quarterly in advance. This fee ranges from 0% to 0.60%. The amount of the Manager Fee will differ depending on the SMA Portfolio Manager or Model Advisor selected for Account, and also may vary depending on which investment strategy or Model Portfolio is selected. For Model Portfolios in the MP Platform, LPL retains (or charges) a fee of up to 0.05% of account assets per year for its services as overlay portfolio manager. In addition, for certain Model Portfolios designed by LPL, LPL will pay up to 0.02% of the Manager Fee to market index providers as a licensing fee. Where LPL retains portions of the Manager Fee, there is a conflict of interest for us to recommend such models. Your Advisor does not receive any portion of the Manager Fee, including based on recommending a model for which LPL retains this compensation.

Certain Model Advisors or SMA Portfolio Managers receive a reduced Manager Fee or do not receive a Manager Fee. This is often because the Model Advisor or SMA Portfolio Manager has included proprietary or affiliated mutual funds or exchange-traded funds in the Model or Investment Strategy which charges a management fee. This management fee can be found in the prospectuses of the mutual funds or exchange traded funds included in the Model or Investment Strategy. Because a Model Advisor, SMA Portfolio Manager or their affiliates benefit financially when an affiliated fund is selected, there is a conflict of interest that affects the Model Advisor or SMA Portfolio Manager's ability to provide unbiased, objective investment advice concerning the selection of funds for a Model or Investment Strategy.

The fees paid to SMA Portfolio Managers in the SMA Platform and to Model Advisors in the MP Platform are generally less than fees those advisors would charge a client seeking to establish a direct relationship with them outside of a wrap program. This is principally due to the fact that LPL absorbs many of the billing, administrative, and marketing expenses that would otherwise be borne by those advisors, including trading expenses for Model Advisors. SMA Portfolio Managers and Model Advisors generally have higher minimum account size requirements and fees for direct accounts because of such additional expenses.

#### How the Account Fee is Charged

LPL deducts the Account Fee and other fees and charges associated with a Manager Select account from the account. LPL pays the applicable portion of the Account Fee to the SMA Portfolio Manager or Model Advisor. LPL calculates and deducts the Account Fee in the method described in the Account Agreement, unless other arrangements are made in writing. If a client wishes to be billed for the Account Fee, rather than a deduction directly from the account, the client needs to make a request to LPL through the Advisor or IAR.



## ACCOUNT PACKET

### MANAGER SELECT - PROGRAM BROCHURE

#### Payment in Advance and Refund of Pre-Paid Fees

LPL deducts the Account Fee quarterly in advance. If the Account Agreement is terminated before the end of the quarterly period, LPL will pay the client a pro-rated refund of any pre-paid quarterly Account Fee based on the number of days remaining in the quarter after the termination date. However, if the account is closed within the first six months by the client or as a result of withdrawals that bring the account value below the required minimum, LPL and Advisor reserve the right to retain the pre-paid quarterly Account Fee for the current quarter in order to cover the administrative costs of establishing the account (for example, the costs related to transferring positions in and out of the account, data entry in opening the account, reconciliation of positions in order to issue performance information, and re-registration of positions). After the termination date, LPL may convert the account to a brokerage account. In a brokerage account, client is charged a commission for each transaction and there is no investment advisor responsible for providing ongoing investment advice.

#### Other Types of Fees and Expenses of LPL

LPL charges fees related to a Manager Select account in addition to the Account Fee, such as miscellaneous administrative or custodial-related fees and charges. LPL notifies clients of these charges at account opening. These miscellaneous fees are not directly based on the costs of the transaction or service by LPL, may include a profit to LPL, and certain of the fees may be lowered or waived for certain clients. As described below under "Additional Information - Participation in Client Transactions," if LPL as broker-dealer executes a principal transaction in a Manager Select account, LPL may earn a markup or markdown in addition to the Account Fee.

#### Fees Charged by Third Parties

There are other fees and charges that are imposed by third parties other than LPL that apply to investments in Manager Select accounts. As described below under "Additional Information – Brokerage Practices," if a SMA Portfolio Manager chooses to execute a transaction through a broker-dealer other than LPL, the execution price to the client may include a commission, markup/markdown, or other fee imposed by the executing broker-dealer in addition to the Account Fee. If client holds an American Depository Receipt ("ADR") in an account, there may be custodial fees or taxes related to the ADR.

If a client's assets are invested in mutual funds, ETFs or other pooled investment products, clients should be aware that there will be two layers of advisory fees and expenses for those assets. As a shareholder of a fund, Client will pay an advisory fee to the fund manager and other expenses charged by the fund. Client will also pay LPL, the SMA Portfolio Manager (exclusively in the case of the SMA Platform) and Advisor the Account Fee with respect to assets invested in such mutual funds, ETFs, or other pooled investment products. Clients generally can purchase mutual funds directly outside of the program. Therefore, clients could avoid the second layer of fees by not using the advisory services of LPL, SMA Portfolio Manager, Advisor and its IARs and by making their own decisions regarding the investment.

Clients should understand that in many cases the mutual funds and mutual fund share classes offered through the Program charge higher fees and expenses than those that are not offered through the Program, and such other mutual funds and share classes may be equally or more appropriate for a client's account. As discussed below, a portion of the fees and expenses charged by certain mutual funds in the Program will be paid to LPL. Other financial services firm may offer the same mutual funds that are offered through the Program but at lower overall costs to investors than the costs that clients incur by investing through the Program.

Clients should also understand that in many cases the share class offered for a particular mutual fund available through the Program (the "Program Share Class") charges higher fees and expenses than other share classes that are offered by the same fund but are not available through the Program. Program Share Classes are selected by LPL, in certain cases, because the mutual funds pay to LPL a portion of the fees and expenses charged by Program Share Classes as compensation for the administrative and recordkeeping services LPL provides with respect to LPL clients who invest in the Program Share Classes, as discussed below under "Participation or Interest in Client Transactions."

The cash sweep money market fund ("Sweep Fund") used in the program may be managed by the same SMA Portfolio Manager that client has appointed to manage its account or be invested in a Model Portfolio provided by the same Model Advisor. If that is



## ACCOUNT PACKET

### MANAGER SELECT - PROGRAM BROCHURE

the case, clients should understand that the SMA Portfolio Manager or Model Advisor and its affiliates earn fees from the Sweep Fund for managing and performing other services for the fund which will be in addition to Account Fee charged to client.

A SMA Portfolio Manager or Model Advisor available in the program may be affiliated with an Advisor. As a consequence, selection of an affiliated SMA Portfolio Manager or Model Advisor generates additional compensation to Advisor's affiliates. Advisor may charge fees in addition to the Account Fee. Clients should refer to the Brochure of Advisor for more information regarding fees charged by Advisor.

If client transfers into a Manager Select account a previously purchased mutual fund, and there is an applicable contingent deferred sales charge on the fund, client will pay that charge when the mutual fund is sold. If the account is invested in a mutual fund that charges a fee if a redemption is made within a specific time period after the investment, client will be charged a redemption fee. Depending on the share class and fee structure of the previously purchased mutual fund, LPL can receive fees such as 12b-1 fees from the previously purchased mutual fund until the position is liquidated and subsequently invested according to the Manager Select model. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting). Decisions regarding the sale of mutual funds in an account may be made by LPL without regard to whether a client will be assessed a redemption fee. Clients can find more information regarding the fees and expenses of a mutual fund or ETF in the fund's prospectus, which is available upon request from Advisor or directly from the fund.

When transferring securities into a Manager Select account, client should be aware that certain securities are not be eligible for the account. In such case, the securities may be rejected, sold after the transfer, or moved to a brokerage account. Note that when an ineligible security is transferred into an account and subsequently sold or moved to a brokerage account, the advisory fee will be charged on such asset for the period of time the security was held in the account. Client should be aware that securities transferred into an account may have been subject to a commission or sales load when the security was originally purchased. After transfer into a Manager Select account, client should understand that an advisory fee will be charged based on the total assets in the account, including the transferred security. When transferring securities into an account, client should consider and speak to Advisor about whether:

- a commission was previously paid on the security;
- client wishes for the security to be managed as part of the account and be subject to an advisory fee; or
- client wishes to hold the security in a brokerage account that is not managed and not subject to an advisory fee.

For those Manager Select accounts investing in mutual funds, LPL selects only no-load and load-waived mutual funds. Some mutual funds and Program Share Classes in Manager Select charge shareholders an asset-based fee, known as a "12b-1" fee, to cover distribution expenses and, in some cases, shareholder servicing expenses. A portion of such 12b-1 fees will ultimately be paid to LPL by the funds. Any 12b-1 fees paid to LPL by funds (other than the Sweep Funds described in the section of Item 9 labeled "Participation or Interest in Client Transactions") will be credited to the client's account.

Clients also incur charges imposed by third parties or LPL in connection with investments made through their accounts, including, but not limited to, taxes and charges required by law or imposed by exchanges or regulatory bodies. For example, an industry-wide charge mandated by a regulator applies to sales of certain securities. The amount of this regulatory fee may vary over time, and because variations might not be immediately known to LPL, the amount may be estimated and assessed in advance. To the extent that such estimated amount differs from the actual amount of the regulatory fee, LPL retains the excess. These charges will be reflected on transaction confirmations and/or periodic statements.

#### Important Things to Consider About Fees on a Manager Select Account

- The Account Fee is an ongoing wrap fee for investment advisory services, the execution of transactions and other administrative and custodial services. The Account Fee may cost the client more than purchasing the program services separately, for example, paying fees for the advisory services LPL, Advisor, and the SMA Portfolio Manager or Model



## ACCOUNT PACKET

### MANAGER SELECT - PROGRAM BROCHURE

Advisor, as applicable, plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the:

- type and size of the account
- historical and or expected size or number of trades for the account, and
- number and range of supplementary advisory and client-related services provided to the client.
- It is important to note that a client may or may not be able to purchase advisory services directly from the SMA Portfolio Managers or Model Advisors, as they often do not offer such services for client accounts of the size typically associated with wrap programs. If they do offer such services to accounts the size of a program account, they often charge a higher fee as they do not enjoy the economies of scale related to providing services to clients of a wrap program.
- Certain of the SMA Portfolio Managers or Model Advisors available in the program may be affiliated with an Advisor. As a consequence, selection of an affiliated SMA Portfolio Manager or Model Advisor generates additional compensation to Advisor or its affiliates.
- The Account Fee may be higher than the fees charged by other investment advisors for similar services. This is the case in particular if the Account Fee is at or near the maximum Account Fee set out above. The Advisor is responsible for determining the Advisory Fee to charge each client based on factors such as total amount of assets involved in the relationship, type of securities to be held in the account (e.g., mutual funds vs. individual securities), the complexity and mix of the portfolio, the fees associated with the SMA Portfolio Manager or Model Advisor, and the number and range of supplementary advisory and client-related services to be provided to the account. Clients should consider the level and complexity of the advisory services to be provided when negotiating the Advisory Fee with Advisor.
- The Advisor and its IARs recommending the program to the client receives compensation as a result of the client's participation in the program. This compensation includes a portion of the Account Fee and also may include other compensation, such as bonuses, awards or other things of value offered by LPL to Advisor or by LPL or Advisor to the IAR. For example, LPL may pay a bonus to Advisor or its IARs in the form of reimbursement of fees that Advisor or its IARs pay to LPL for administrative services. In particular, pursuant to the agreement between LPL and Advisor, LPL pays Advisor an amount, in addition to a percentage of the client's Account Fee, based on the current market value of all client assets Advisor maintains in LPL advisory programs, including the Manager Select program. This amount is paid from the portion of the fee retained by LPL, and payment of this amount does not result in any higher or additional client fees. Therefore, this additional portion of the fee provides Advisor a greater financial benefit if more client assets are invested in LPL advisory programs. The amount of compensation that Advisor receives from LPL may be more or less than what the Advisor and its IARs would receive if the client participated in other LPL programs, programs of other investment advisors or paid separately for investment advice, brokerage, and other client services. Therefore, the Advisor and its IARs can have a financial incentive to recommend a program account over other programs and services.
- Clients should consider the impact of fees and expenses on their investment portfolio, as described in the informational brochure titled "How Fees and Expenses Affect Your Portfolio" on [lpl.com/disclosures.html](http://lpl.com/disclosures.html) under "Investor Regulatory & Educational Resources."

#### ITEM 5 ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

A minimum account value of \$25,000 generally is required for the program. In certain instances, the minimum account size may be lower or higher. Note that an account will not be invested until the applicable minimum for the investment strategy or Model Portfolio has been reached. Clients should consult with Advisor through its IAR to obtain more information about the applicable investment minimum based on the strategy or Model Portfolio selected.

The program is available for individuals, IRAs, banks, thrift institutions, credit unions, pension and profit sharing plans, including plans subject to Employee Retirement Income Security Act of 1974 ("ERISA"), trusts, estates, charitable organizations, state and municipal government entities, corporations and other business entities.



## ACCOUNT PACKET

### MANAGER SELECT - PROGRAM BROCHURE

#### ITEM 6 PORTFOLIO MANAGER SELECTION AND EVALUATION

In Manager Select, Advisor through its IARs is responsible for the investment advisory services related to the selection and retention of the SMA Portfolio Manager, in the case of the SMA Platform, and Model Portfolio, in the case of the MP Platform. The client selects Advisor and its IAR who services the account. Advisor is responsible for determining the standards required for its IARs to provide investment advice to program accounts. For more information about Advisor and the IAR servicing the account, client should refer to Advisor's Firm Brochure and the Brochure Supplement for the IAR, which client should have received from Advisor at the time client opened the account.

LPL makes available the advisory services of SMA Portfolio Managers. LPL does not act as a portfolio manager for the SMA Platform. LPL does, however, act as portfolio manager for the MP Platform.

#### Criteria for Participating and Recommended SMA Portfolio Managers and Model Advisors

LPL selects and reviews SMA Portfolio Managers and Model Advisors for the program based on quantitative, qualitative and infrastructure criteria, which may include the criteria listed below.

##### Quantitative Criteria

LPL evaluates quantitative criteria, including but not limited to:

- Rate of return
- Number of employees and accounts

##### Qualitative Criteria

LPL evaluates qualitative criteria, including but not limited to:

- Years in the business
- Assets under management
- Investment philosophy
- Risk controls
- Legal and compliance issues

##### Infrastructure Criteria

LPL reviews infrastructure criteria to assess whether a SMA Portfolio Manager or Model Advisor can handle operational requirements, including but not limited to:

- Composite calculation methodology
- Trade rotation policy
- Back office review
- Client servicing resources
- Firm-wide program commitment

#### Additional Criteria for Recommended Managers and Model Advisors

SMA Portfolio Managers and Model Advisors that are "Recommended" by LPL Research are subject to a more rigorous selection and review process than the criteria set out above that applies to all SMA Portfolio Managers and Model Advisors available in the program. In addition to the criteria noted above, additional evaluation criteria for Recommended SMA Portfolio Managers or Model Advisors include:

- Sound investment philosophy and process that drives performance
- Consistency of returns and risk
- Qualitative assessment of the investment manager and team





## **ACCOUNT PACKET**

### **MANAGER SELECT - PROGRAM BROCHURE**

Clients should speak to the IAR regarding whether the SMA Portfolio Manager or Model Advisor being considered for selection or that has been selected by the client is Recommended or Participating.

#### **LPL as a Model Advisor**

Clients may invest in Model Portfolios designed by LPL's Research Department ("LPL Research"). It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable. LPL Research designs different types of Model Portfolios to meet different investor needs. LPL Research Model Portfolios are built by seeking certain quantitative characteristics for each portfolio. LPL Research's Model Portfolios are each designed to hold constituents of a specific underlying index. LPL Research looks for specific characteristics or investment factors of the constituents within the index and designs a Model Portfolio to capture the investment results of that characteristic or factor. For example, one such Model Portfolio seeks to have index-like representation to reasonably track large cap index returns such as the Russell 1000 Index, while another focuses on dividends by seeking a yield premium over the index.

The LPL Research Model Portfolios are managed tactically, which means they are flexible and are designed to help take advantage of short-, mid-, and long-term opportunities the markets present and are intended for clients who wish to take advantage of shorter-term market opportunities and are not opposed to the prospect of trading as frequently as monthly.

The participation of LPL's Research Department as a Model Advisor under the MP Platform also gives rise to conflicts of interests because LPL has a financial incentive to select its internal team and further grow its assets under management. Although LPL does not charge a separate fee for its services as Model Advisor, as assets under management at LPL increase, the firm is able to achieve greater efficiencies and economies of scale with regards to the research and management services that it provides to clients.

#### **Removal of a SMA Portfolio Manager or Model Advisor**

LPL may elect to remove or replace a SMA Portfolio Manager or Model Advisor should it determine that the firm has failed to meet one or more of the above selection criteria or if the SMA Portfolio Manager or Model Advisor has failed to maintain sufficient assets under management at LPL to maintain profitability on the Platform. In making a decision to remove or replace a SMA Portfolio Manager or Model Advisor, LPL takes into consideration all criteria; no one criteria, other than the maintenance of assets under management at LPL, is necessarily determinant in the decision. Short-term developments are monitored but are not necessarily sufficient for a decision to remove or replace a SMA Portfolio Manager or Model Advisor. While LPL would have the authority to remove the LPL Research Department as a Model Advisor, it is unlikely to do so.

#### **Portfolio Manager Performance**

LPL's Research Department uses information provided by the SMA Portfolio Manager or Model Advisor and may also use independent, third-party databases when evaluating a SMA Portfolio Manager or Model Advisor. In order for a SMA Portfolio Manager or Model Advisor to be selected for the Platforms, LPL generally requires a third-party verification letter related to compliance of the firm's performance information with Global Investment Performance Standards (GIPS) or a similar letter indicating that the performance information has been audited by an independent auditor. This requirement may be waived by LPL for various reasons including alternative methods of verifying the experience and/or performance of the SMA Portfolio Manager or Model Advisor. SMA Portfolio Manager and Model Advisor performance information is not calculated on a uniform and consistent basis.

LPL does not calculate the performance record of the SMA Portfolio Manager or Model Advisor. However, LPL provides clients with individual performance information. Performance information distributed by LPL is compiled using third party portfolio accounting and reporting software. Client performance is reported on a time weighted basis. Performance reports are intended to inform clients as to how their investments have performed for a period, both on an absolute basis and compared to leading investment indices.



## ACCOUNT PACKET

### MANAGER SELECT - PROGRAM BROCHURE

It is important to note that third-party Model Advisors provide Model Portfolios to LPL, and it is LPL that has discretion for trade implementation and execution in MP Platform accounts. Therefore, Model Portfolios submitted to LPL by third-party Model Advisors represent activity that has already been implemented on behalf of other clients of such Model Advisors. Because of this fact and because LPL (and not the third-party Model Advisor) has discretionary authority to implement trades, performance of an MP Platform account will differ from and may be worse than the performance of such Model Advisor's discretionary accounts.

#### Investment Strategies

SMA Portfolio Managers and Model Advisors may provide advisory services or models based on the following types of investment strategies. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable.

All Cap Core	Global Equity	Large Cap Value	Small Cap Blend
All Cap Growth	Growth Equity	Mid Cap Core	Small Cap Growth
All Cap Value	Income Preferred	Mid Cap Growth	Small Cap Value
Balanced	Large Cap Core	Mid Cap Value	Tax Free Fixed Income
Convertibles	Large Cap Foreign	REIT	Taxable Fixed Income
Global Balanced	Large Cap Growth	Sector	

#### Types of Investments and Risks

In Manager Select, LPL (in the case of the MP Platform) or SMA Portfolio Managers (in the case of the SMA Platform) may invest in many different types of securities, including equities, fixed income securities, options, mutual funds, closed-end funds, interval funds and ETFs. Investing in securities involves the risk of loss that clients should be prepared to bear. Described below are some risks associated with investing and particular risks associated with some types of investments available in the program.

- **Market Risk.** This is the risk that the value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk.** This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Economic Conditions Risk.** This is the risk that economic, political, or financial developments will, from time to time, result in periods of volatility or other adverse effects that could negatively impact your account.
- **Credit Risk.** This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Liquidity Risk.** This is the risk that an investor would not be able to sell or redeem an investment quickly, or would not be able to sell or redeem an investment quickly without significantly affecting the price. Liquidity risk is heightened when markets are distressed. Generally, alternative investments have higher liquidity risk than equities, fixed income securities or mutual funds or ETFs.
- **Issuer-Specific Risk.** This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.
- **Investment Company Risk.** To the extent a client account invests in ETFs or other investment companies, its performance will be affected by the performance of those other investment companies. Investments in ETFs and other investment companies are subject to the risks of the investment companies' investments, as well as to the investment companies' expenses. If a client account invests in other investment companies, the client account may receive distributions of taxable gains from portfolio transactions by that investment company and may recognize taxable gains from transactions in shares of that investment company, which would be taxable when distributed.



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- **Concentration Risk.** To the extent a client account concentrates its investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.
- **Sector Risk.** To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.
- **Alternative Strategy Mutual Funds.** Certain mutual funds available in the programs invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be appropriate for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. Clients should be aware that alternative investments and/or strategies are generally considered speculative in nature and involve a high degree of risk, particularly if concentrating investments. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry. These types of funds tend to have higher expense ratios than more traditional mutual funds. They also tend to be newer and have less of a track record or performance history.
- **Closed-End/Interval Funds.** Clients should be aware that closed-end funds available within the program may not give investors the right to redeem their shares, and a secondary market may not exist. Therefore, clients may be unable to liquidate all or a portion of their shares in these types of funds. While the fund may from time to time offer to repurchase shares, it is not obligated to do so (unless it has been structured as an "interval fund"). In the case of interval funds, the fund will provide limited liquidity to shareholders by offering to repurchase a limited amount of shares on a periodic basis, but there is no guarantee that clients will be able to sell all of the shares in any particular repurchase offer. The repurchase offer program may be suspended under certain circumstances.
- **Cybersecurity Risk.** Failures or breaches of the electronic systems of LPL, its service providers, securities market participants or the issuers of securities can cause significant losses for investors. Unintentional cyber events, such as the inadvertent release of confidential information, could also adversely impact investor account. Any cyber event could cause result in the loss or theft of investor data or cause investors financial loss and expense.
- **Debt Securities.** Debt securities, such as bonds, involve interest rate risk, credit risk, extension risk, prepayment risk, and other types of risks. In addition, the value of debt securities may fluctuate in response to market movements or issues that affect particular industries or issuers. When interest rates fall, the issuers of debt securities may prepay principal more quickly than expected, and investors may have to reinvest the proceeds at a lower interest rate. This is known as "prepayment risk." When interest rates rise, debt securities may be repaid more slowly than expected, and the value of the debt security can fall sharply. This is known as "extension risk." Certain types of debt securities may be subject to "call and redemption risk," which is the risk that the issuer may call a bond for redemption before it matures and the investor may lose income.
- **Equity Securities.** Common and preferred stock represents the equity ownership of a company. Stock markets are volatile and the price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. The value of equity securities may also decline due to factors that affect particular industries or particular issuers. The values of equity securities may be more volatile than those of other asset classes.
- **Exchange-Traded Funds (ETFs).** ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price



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is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. ETFs may be closed and liquidated at the discretion of the issuing company.

- *Unit Investment Trusts (UITs).* UITs are investment companies that generally offer a fixed portfolio of stocks and bonds as redeemable units to investors for a specified period of time. Like a mutual fund, UITs typically issue redeemable units. However, UITs differ from mutual funds in that UITs have stated expiration dates and are not actively traded. As a consequence, UITs will not be sold to take advantage of market conditions and their value may fluctuate, sometimes rapidly or unpredictably, due to factors affecting securities markets or particular industries. Upon the stated expiration date of a UIT, there is no assurance that the value of the UIT will be equal to or higher than the original price.
- *Exchange-Traded Notes (ETNs).* An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks. ETNs may be closed and liquidated at the discretion of the issuing company.
- *Leveraged and Inverse ETFs, ETNs and Mutual Funds.* Leveraged ETFs, ETNs and mutual funds, sometimes labeled "ultra" or "2x" for example, are designed to provide a multiple of the underlying index's return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions may be magnified over time. Some deviations from the stated objectives, to the positive or negative, are possible and may or may not correct themselves over time. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.
- *High-Yield Debt.* High-yield debt is issued by companies or municipalities that do not qualify for "investment grade" ratings by one or more rating agencies. The below investment grade designation is based on the rating agency's opinion of an issuer that it has a greater risk to repay both principal and interest and a greater risk of default than those issuers rated investment grade. High yield debt carries greater risk than investment grade debt. There is the risk that the potential deterioration of an issuer's financial health and subsequent downgrade in its rating will result in a decline in market value or default. Because of the potential inability of an issuer to make interest and principal payments, an investor may receive back less than originally invested. There is also the risk that the bond's market value will decline as interest rates rise and that an investor will not be able to liquidate a bond before maturity.
- *Options.* Option trading is permitted in the program. Clients should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and a program account will no longer hold the security. When purchasing options there is the risk that the



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entire premium paid (the purchase price) for the option can be lost if the option is not exercised or otherwise sold prior to the option's expiration date. When selling (or "writing") options, the risk of loss can be much greater if the options are written uncovered ("naked"). The risk of loss can far exceed the amount of the premium received for an uncovered option and in the case of an uncovered call option the potential loss is unlimited.

- *Direct Indexing.* Direct indexing strategies seek to replicate the performance of a market index by directly holding the individual securities, or a representative sample of the individual securities, that make up the index. Direct indexing may provide a more tax efficient means of investing, and may allow for more customized investment allocations, than investing in a fund or other commingled product that seeks to replicate the index. The potential benefits of direct indexing, however, will not necessarily be realized if you don't take advantage of tax planning or impose account restrictions, such as account level security or sector-based restrictions or customizations based on your specific tax, ESG or other preferences. Fees and expenses for the direct indexing strategy in some cases will be higher than the fees and expenses associated with alternative index products. Higher fees and expenses could adversely impact account performance. The size of your account and the number of securities in the index your account seeks to replicate also limit the ability of your account to replicate the index. As a result, the direct indexing strategy introduces the risk of tracking error relative to the index into your account and can cause your portfolio to underperform the index, including as a result of customization. LPL cannot guarantee that the dividend yield in your portfolio will accurately track a market index.
- *Other Complex Exchange Traded Products (ETPs).* Certain clients meeting qualification standards may also purchase other complex ETPs, which may be structured as ETFs, ETNs or as other types of securities. Similar to leveraged and inverse products, these other complex products differ, often significantly, from traditional ETFs, ETNs and mutual funds and can be significantly more speculative and volatile. Other complex ETPs are often not designed to be held long term. These products include, for example, single-inverse ETPs ("Single Inverse ETPs"), futures-linked ETPs ("Futures Linked ETPs") and cryptocurrency-related ETPs ("Cryptocurrency ETPs"). Single Inverse ETPs are complex financial instruments that seek investment results that are the opposite of the performance of an index for a stated trading period (or "reset frequency"), often a single day. When a Single Inverse ETP with a shorter reset frequency is held for a longer period, significantly different returns from the investment objective or returns of the underlying assets may result, including potential realized and unrealized losses. A Single Inverse ETP that resets each day is typically inappropriate as an intermediate or long-term investment unless it is recommended as part of a sophisticated trading or hedging strategy that will be closely monitored. Futures Linked ETPs are intended to provide exposure to reference assets like commodities. However, Futures Linked ETPs are not designed to track the spot price of the referenced asset, but instead track the price of futures contracts. The performance of a Futures Linked ETP may deviate significantly from the performance of the spot price of the reference asset, especially over longer periods. Cryptocurrency ETPs are exposed to cryptocurrency, decentralized digitized assets that often rely on blockchain technology. Cryptocurrency ETPs are highly speculative and extremely volatile. Cryptocurrency is part of a new and evolving industry, and neither the technology nor regulatory regime for cryptocurrency is settled. Cryptocurrency ETPs may trade in over-the-counter markets and may not be afforded all of the investor protections of other exchange-traded products. Certain Futures Linked ETPs invest in cryptocurrency futures, which could magnify the risks described above.
- *Pledging Assets.* LPL has partnered with certain banks to help facilitate clients' access to collateralized non-purpose lines of credit; however, clients are not required to use the banks in LPL's program, and can work directly with other banks ("non-partner banks") to negotiate loan terms or obtain other financing arrangements. Clients who choose to use non-partner banks should notify Advisor of the amount of the line of credit. In these collateralized lending arrangements, clients borrow from the bank and pay interest to the bank. In some cases, Advisor, through IAR, may recommend that a client seeking to access funds (for purposes other than purchasing securities) hold his securities investments and instead utilize a non-purpose line of credit collateralized by the assets in his advisory account. Unless Advisor, through IAR, specifically recommends that a client hold his securities investments and instead utilize a collateralized line of credit to access funds, the decision regarding whether to arrange for a collateralized loan and the decision to draw down on such a loan are not covered by a client's advisory relationship with LPL or Advisor. While Advisor, through IAR, may assist the client with





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facilitating a line of credit, clients are responsible for independently evaluating the terms of the loan and deciding whether the loan meets their needs. Clients also should be aware that pledging assets in an account to secure a loan involves additional risks. The bank holding the loan has the authority to liquidate all or part of the securities at any time without your prior notice in order to maintain required maintenance levels, or to call the loan at any time. As a practical matter, this may cause you to sell assets and realize losses in a declining market. Moreover, the ability of Advisor and IAR to make recommendations for the account may be restricted by collateral requirements imposed by the bank. These restrictions or a forced liquidation may interfere with your long term investment goals and/or result in adverse tax consequences. Further, you should note that the returns on accounts or on pledged assets may not cover the cost of loan interest and advisory fees. Clients should be aware that LPL's collateralized loan program is one way, among many, for clients to raise necessary cash. Before pledging assets in an account, clients should carefully review the loan agreement, loan application and any forms required by the bank and any other forms and disclosures provided by LPL. For a list of the banks currently participating in LPL's collateralized lending program, please visit [lpl.com/disclosures.html](http://lpl.com/disclosures.html), click on "Account Disclosures, Agreements, Fee Schedules & Conflicts of Interest," and then "Third Party Compensation and Related Conflicts of Interest."

- *Blockchain Technology.* Blockchain is a novel technology for which its uses, opportunities, applications, and abilities are unknown and unproven. There can be no assurances that companies investing in this technology will be able to benefit from it. The amount and type of investment restrictions are subject to change and manager's acceptance. Companies investing in blockchain tend to be concentrated in the technology and financial sectors. As a result, the portfolio will be subject to the concentration risk described above and the portfolio's performance may vary materially from that of its MSCI World Index benchmark. This portfolio invests in American depositary receipts (ADRs), negotiable certificates traded on a U.S. exchange which are issued by U.S. banks and which represent a specified number of shares (or one share) in a foreign stock. As a result, the portfolio will be subject to the Non-U.S. securities risk described below.
- *Foreign Securities Risk.* Foreign investments involve special risks not present in U.S. investments that increase an investor's potential to lose money. Among other issues, custody of securities in foreign markets, changes in foreign currency exchange rates, foreign economic and market conditions, actions adverse to investors taken by foreign governments, lack of governmental oversight or regulation of securities markets, underdeveloped settlement and clearing services, and foreign withholding taxes may negatively affect the value of investments in foreign securities.
- *Values-Based and Environmental, Social and Governance (ESG) Investing Risk.* Values-based investing or ESG investing, also known as "socially responsible investing," "sustainable investing," or "impact investing," focuses on the social values or environmental, social, and governance standards or the sustainability factors of an investment. Some values-based investing strategies focus on factors relating to an individual investor's personal or religious values, such as "biblical investing," while other strategies focus on issues like environmental impact. Some values-based investment strategies use values-based criteria to supplement financial analysis when considering a particular issuer or security, while others affirmatively select "socially responsible" investments or screen out or exclude investments in companies that engage in certain activities. Values-based investing may limit the type and number of investments available in a strategy and cause the strategy to underperform other strategies without a values-based focus or with a focus that involves a different type of focus or screening methodology. Values-based strategies may underperform the market as a whole. Companies and issuers selected in a values-based strategy may not or may not continue to demonstrate values-based characteristics. Different investors likely have different opinions about what types of investments are socially responsible.
- *Comparable Products.* LPL offers various mutual funds, ETFs, and other investment products that have similar or identical investment strategies but different fee and expense arrangements. For example, LPL sells both mutual funds and ETFs that are designed to track an index of securities, such as the S&P 500 Index. A mutual fund and an ETF following an identical strategy have different fees and expenses that affect your investment return. Those fees and expenses include direct costs like sales loads, commissions, and other transaction costs, and indirect costs at the product level like advisory or management fees, distribution expenses (12b-1 fees), and other administrative, shareholder servicing and transfer agent fees. The impact of those fee and expenses on your investment returns also varies based on the size of your initial investment, the length of time you hold the investment, and other factors. The differences in fees and expenses, and



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additional differences in compensation paid directly by product sponsors like revenue sharing, mean that LPL and Advisor generally will earn more compensation for selling one investment product than another. As a result, LPL and Advisor have a conflict of interest because of the financial incentive to recommend investment products that pay more compensation if a less expensive comparable product could be used to achieve a customer's investment objective.

#### Voting Client Securities

In the case of the SMA Platform, the SMA Portfolio Manager, and not LPL, is responsible for voting proxies with respect to issuers held in an account, unless a client directs otherwise in writing. The SMA Portfolio Manager, and not LPL, likewise determines how to respond to any voluntary corporate actions. LPL does not assume responsibility for reviewing the SMA Portfolio Manager's proxy voting decisions or policies, including for compliance with law.

In the case of the MP Platform, unless a client instructs otherwise, LPL will vote proxies on the client's behalf. LPL has adopted policies and procedures in order for LPL to vote securities in the best interest of clients. LPL engages third party vendor(s) to make proxy voting recommendations and handle the administrative functions of voting proxies. Although LPL retains authority to vote client proxies, it is LPL's general policy to vote according to the recommendations of its third-party proxy advisor vendor, so long as LPL reasonably determines that doing so is in the client's best interest. Any exceptions to this general policy are referred to LPL's Research Department, which makes the determination as to whether or how to vote the proxy in accordance with the best interest of the client. If the client is an employee benefit plan subject to ERISA, LPL will vote client proxies in accordance with LPL's obligations under ERISA and applicable Department of Labor Regulations. A copy of LPL's proxy voting policies is available upon request to Advisor through its IAR. A client can obtain information about how LPL voted with respect to securities held in the client's account by contacting the IAR.

If a client elects to retain the right and obligation to vote proxies and receive mutual fund shareholder reports, LPL is reimbursed by the proxy issuer or mutual fund for the delivery costs to send proxies and shareholder reports to the client. The maximum fee that can be charged for delivery is set by New York Stock Exchange (NYSE) rules. If LPL uses a vendor to perform the delivery, the vendor seeks reimbursement from the proxy issuer or mutual fund on LPL's behalf and in certain cases remits a portion of the reimbursement to LPL.

In the case of voluntary corporate actions, LPL intends to follow the instructions or default election of third-party Model Advisors without reviewing individual client interests, unless LPL believes that such instructions are overtly contrary to our clients' best interests. In such case, LPL will determine whether or how to act consistent with the best interests of our clients.

LPL, Advisor, IARs and Model Advisors are not obligated to render any advice or take any action on behalf of a client with respect to any legal proceedings, including bankruptcies, involving securities or other investments held in the Account, or issuers thereof. The client retains the right and obligation to take action with respect to legal proceedings relating to securities held in the Account.

#### ITEM 7 CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

When a client opens a Manager Select account, Advisor through its IARs obtains the necessary financial data from the client and assists the client in setting an appropriate investment objective for the account. The Advisor through its IARs obtains this information by having the client complete an Account Application which is a part of the Account Agreement. In the case of SMA Platform accounts, LPL forwards this information to the selected SMA Portfolio Manager. In the case of MP Platform accounts, the IAR uses this information to recommend an investment strategy and Model Portfolio for the account. LPL typically will not provide client information to third-party Model Advisors.

After the account opening, LPL asks clients quarterly to contact the Advisor if there have been any changes in the client's financial situation or investment objectives or if the client wishes to impose any reasonable restrictions on the management of the account or modify existing restrictions. If client communicates to the Advisor or its IARs regarding material changes in the client's financial circumstances, investment objective or investment restrictions, such information is forwarded to the SMA Portfolio Manager. Clients



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may communicate such information to the Advisor or its IARs, or otherwise communicate directly with the SMA Portfolio Manager, although clients are encouraged to direct communication through the Advisor and its IARs.

Client should be aware that the investment objective selected for the program in the Account Application is an overall objective for the entire account and may be inconsistent with a particular holding and the account's performance at any time. Client should further be aware that achievement of the stated investment objective is a long-term goal for the account.

#### ITEM 8 CLIENT CONTACT WITH PORTFOLIO MANAGERS

In the case of SMA Platform accounts, SMA Portfolio Managers are reasonably available to consult with IARs and clients regarding accounts. Clients may consult directly with the SMA Portfolio Manager, although clients are encouraged to direct contact with SMA Portfolio Manager through Advisor and its IAR.

In the case of MP Platform accounts, because the Model Advisor's role is solely to provide Model Portfolios to LPL, and not to provide individualized discretionary advisory services to MP Platform clients, third party Model Advisors generally are not available to be contacted or consulted by MP Platform clients.

#### ITEM 9 ADDITIONAL INFORMATION

##### Disciplinary Information

LPL entered into a settlement with the SEC in which the SEC found that LPL willfully violated Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder and Section 204 of the Advisers Act and Rule 204-2(a)(7) thereunder in connection with the maintenance and preservation of off-channel communications; and failed to reasonably supervise its personnel within the meaning of Section 15(b)(4)(E) of the Exchange Act and Section 203(e)(6) of the Advisers Act. LPL admitted to the facts in the settlement order and acknowledged its conduct violated the federal securities laws. The SEC ordered LPL to cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder and Section 204 of the Advisers Act and Rule 204-2(a)(7) thereunder, censured it for its conduct, ordered it to pay a civil monetary penalty in the amount of \$50,000,000, and ordered it to comply with certain undertakings (2024).

LPL entered into a settlement with the SEC in connection with LPL's failure to comply with its Customer Identification Program procedures. The SEC found that LPL willfully violated Section 17(a) of the Exchange Act and Rule 17a-8 thereunder and was a cause of a third party's violations of Sections 17(a)(2) and (3) of the Securities Act and Section 206(2) of the Advisers Act. The SEC ordered LPL to cease and desist from committing or causing any further violations of these laws and regulations, censured LPL for its conduct, and ordered the payment of disgorgement and prejudgment interest totaling \$141,202 (deemed satisfied based on LPL's voluntary remedial payment of \$4,118,876 to the impacted client), and the payment of a civil money penalty of \$750,000 (2021).

As part of a voluntary self-reporting initiative in 2019, LPL entered into a settlement with the SEC in which the SEC found that LPL willfully violated Section 206(2) and 207 of the Investment Advisers Act of 1940 (the "Advisers Act") in connection with inadequate disclosure to clients of its and its associated persons' conflicts of interest related to its receipt of 12b-1 fees and/or its selection of mutual fund share classes that pay such fees. The SEC ordered LPL to cease and desist from committing or causing any violations of Sections 206(2) and 207 of the Advisers Act, censured it for its conduct, and ordered the payment of disgorgement and prejudgment interest to affected investors totaling \$9,333,516 (2019).

LPL, as a broker-dealer, is a member of FINRA and has found to be in violation of FINRA's rules related to its brokerage activities. In particular, LPL consented to sanctions related to the following matters:

- LPL's supervisory systems and maintenance of books and records relating to brokerage direct business transactions, supervisory systems and misstatements about fees relating to brokerage product switch transactions, and supervisory systems relating to brokerage recommendations of publicly traded securities of business development companies (BDCs) to customers, resulting in a censure, a fine of \$5.5 million, restitution to impacted customers, and an undertaking to certify that LPL has remediated the systems and procedures for making recommendations of BDCs (2023).



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- LPL's supervisory systems and procedures relating to the transmittal of customer funds by wire or check to third parties and maintenance of related books and records, resulting in a censure, a fine of \$3,000,000, restitution to impacted clients, and an undertaking to identify and pay restitution to affected customers for certain other improper transfers (2023).
- LPL's failure to accurately calculate its customer reserve requirement, failure to maintain a sufficient customer reserve, failure to maintain policies and procedures reasonably designed to achieve compliance with the Securities and Exchange Act and FINRA rules, and failure to maintain accurate books and records, resulting in a censure and a fine of \$300,000 (2022).
- LPL's self-reporting of potential issues related to certain C-share purchase suitability reviews and its supervisory systems and procedures relating to waivers of front-end sales charges for rollovers of 529 savings plan investments from one state plan to another, resulting in a censure and payment of restitution to impacted customers (2021).
- LPL's supervisory systems and procedures relating to record retention, fingerprinting and screening of certain associated persons, and supervision of consolidated reports, resulting in a censure, a fine of \$6,500,000 and an undertaking to review and enhance related policies, systems and procedures (2020).
- LPL's supervisory systems and procedures relating to changes in the authority of custodians of accounts established under the Uniform Gifts to Minors Act and/or the Uniform Transfers to Minors Act, resulting in a censure, a fine of \$300,000, and an undertaking to review and enhance its policies, systems, and procedures related to supervision of such accounts (2019).
- The effectiveness of LPL's anti-money laundering program, LPL's failure to amend certain Forms U4 and U5, and LPL's systems and supervisory procedures relating to Forms U4 and U5 reporting requirements, resulting in a censure and a fine of \$2,750,000 and an undertaking to review the process used to disclose customer complaints on Forms U4 and U5 (2018).
- LPL's brokerage supervisory and disclosure procedures related to the sale of certain brokered certificates of deposit in brokerage accounts, resulting in a censure and a fine of \$375,000 (2018).
- LPL's systems and supervisory procedures relating to the creation and distribution of certain required account notices, resulting in a censure, a fine of \$900,000, and an undertaking to review affected processes (2016).
- LPL's systems and supervisory procedures relating to the format in which certain electronic records were retained, resulting in a censure and a fine of \$750,000 (2016).
- LPL's various brokerage supervisory procedures, including those related to the sale of complex non-traditional ETFs, variable annuity ("VA") contracts, real estate investment trusts ("REITs") and other products in brokerage accounts, as well as LPL's failure to monitor and report trades and deliver trade confirmations, resulting in a censure and a fine of \$10,000,000, and restitution of \$1,664,592 (2015).

LPL, as a broker-dealer, is regulated by each of the 50 states and has been the subject of orders related to the violation of state laws and regulations in connection with its brokerage activities. In particular, LPL entered into consent orders related to the following matters:

- LPL's supervision of electronic signature practices at an LPL branch office in Massachusetts, resulting in a fine of \$250,000 and an undertaking to conduct an internal review of certain related policies and procedures (Massachusetts or "MA", 2023).
- LPL's supervision of an LPL broker-dealer/investment adviser agent's sales of structured products, resulting in a censure, an offer of restitution to impacted clients, and a fine of \$125,000 (Texas, 2022).
- LPL's supervision of two LPL broker-dealer and/or investment adviser agents who pled guilty to charges of fraudulent practices with LPL customers, resulting in a cease and desist order, a fine of \$350,000 and a \$150,000 contribution for financial literacy and investor education initiatives, training and related materials (Connecticut, 2021).
- LPL's supervision of an LPL representative under a heightened supervision plan, resulting in a cease and desist order; a fine of \$275,000; payments of restitution, disgorgement and investigative costs; and offers of payment of surrender charges in connection with variable annuity contracts for impacted customers (New Hampshire or "NH", 2020).
- LPL's failure to timely register (or maintain the registration of) certain agents in MA and failure to amend Forms U4 and U5 for certain agents registered in MA, resulting in a censure, a fine of \$1,100,000, and an undertaking to review and enhance its policies and procedures related to registering its agents in MA and filing reportable events (MA, 2019).



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- LPL's brokerage supervisory procedures relating to email review and annual branch office examinations, resulting in a civil penalty of \$450,000 and an undertaking for third-party review of related processes (Indiana, 2018).
- The sale of unregistered, non-exempt securities in violation of state registration requirements, resulting (upon entry of the individual consent order) in payment to each participating state or jurisdiction of a civil penalty of \$499,000, reimbursement of certain investigative expenses, remediation through repurchase of certain securities and payment of losses to certain affected customers, and certain additional undertakings (Settlement with up to 53 members of the North American Securities Administrators Association (NASAA), 2018).
- The sale of non-traded alternative investments in excess of prospectus standards or LPL's internal guidelines and the maintenance of related books and records, resulting in a censure, a fine of \$950,000, a \$25,000 contribution to an investor education fund and remediation of losses to impacted customers (New Jersey, 2017).
- LPL's supervisory practices for LPL representatives located on the premises of a credit union, resulting in a censure, a fine of \$1,000,000, and an undertaking to avoid investor confusion specific to the name under which the credit union does business and review LPL's related policies and procedures (MA, 2017).
- LPL's oversight of certain VA transactions, resulting in a censure, a fine of \$975,000, restitution to clients and former clients of an LPL representative, disgorgement of commissions retained by LPL in connection with such IAR's VA sales, and an undertaking to review such representative's brokerage and advisory activities and LPL's related policies and procedures (MA, 2017).
- The sale in brokerage accounts of non-traded REITs in excess of prospectus standards, state concentration limits or LPL's internal guidelines, resulting in an aggregate civil penalty of \$1,425,000, reimbursement of certain investigative expenses and remediation of losses to impacted customers (Global settlement with certain members of NASAA, 2015).
- The sale of non-traded REITs in excess of prospectus standards, state concentration limits or LPL's internal guidelines, resulting in an administrative fine of \$250,000, reimbursement of investigative costs of \$250,000, a \$250,000 contribution to an investor education fund and remediation of losses to impacted customers (NH, 2015).
- The sale of leveraged and inverse leveraged ETFs ("Leveraged ETFs"), resulting in an administrative fine of \$50,000 (Delaware), a penalty of \$200,000 (MA), restitution to Delaware customers in an amount up to \$150,000, restitution to MA customers in an amount up to \$1,600,000, and an agreement to make certain changes in its supervisory system with respect to Leveraged ETFs (2015).
- Failure to implement procedures related to the use of senior-specific titles by LPL representatives as required under MA law, resulting in a censure and a fine of \$250,000 (2015).
- Failure to detect improper and fraudulent conduct by an LPL representative, resulting in a censure, a fine of \$500,000, and restitution to impacted customers; and failure to adequately enforce supervisory procedures and maintain certain books and records required under Illinois law in connection with certain VA exchange transactions, resulting in a censure, a fine of \$2,000,000, and restitution to impacted customers (2014).

For more information about those state events and other disciplinary and legal events involving LPL and its IARs, client should refer to Investment Advisor Public Disclosure at <https://adviserinfo.sec.gov/> or FINRA BrokerCheck at <https://brokercheck.finra.org/>.

#### Other Financial Industry Activities and Affiliations

LPL is a broker-dealer registered with FINRA and the SEC. As a broker-dealer, LPL transacts business in various types of securities, including mutual funds, stocks, bonds, commodities, options, private and public partnerships, variable annuities, real estate investment trusts and other investment products. LPL is registered to operate in all 50 states and has primarily an independent-contractor sales force of registered representatives and investment advisor representatives dispersed throughout the United States. LPL has a dedicated team of employee IARs in its home office who service certain accounts, and also a small subset of IARs who operate their own offices or are located on the premises of certain financial institutions and are employees of LPL Employee Services, LLC, an LPL-affiliated company. IARs may be registered representatives of LPL. LPL is also registered as an introducing broker with the Commodity Futures Trading Commission. In addition, LPL is qualified to sell insurance products in all 50 states.





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LPL and The Private Trust Company, N.A. ("PTC"), a federally chartered non-depository bank licensed to provide trust services in all 50 states, are related persons. PTC serves as IRA custodian for program accounts set up as IRAs and receives an annual maintenance fee for this service. PTC also provides personal trustee services to clients for a variety of administrative fiduciary service, which services may relate to a program account. Because LPL and PTC are affiliated companies and share in revenues, there is a financial benefit to the companies if a client uses PTC as a custodian or for personal trustee services, or if a PTC client uses LPL as an investment advisor. PTC's IRA custodian and trustee services and related fees are established under a separate engagement between the client and PTC.

Fiduciary Trust Company of New Hampshire ("FTC"), a non-depository trust company, is a related person of LPL. FTC provides custodial and various other recordkeeping and services to IRAs and certain employer-sponsored plans maintained through non-Manager Select Program accounts. Because LPL and FTC are affiliated companies and share in revenues, there is a financial benefit to the companies if a client is referred to or otherwise elects to engage with FTC for services under another LPL program, and uses LPL as the investment advisor or broker-dealer. FTC's custodial and recordkeeping services and related fees are established under a separate engagement between the client and FTC.

LPL Enterprise, LLC ("LPLE"), is a registered broker-dealer and related person of LPL. It is anticipated that LPLE will also become a registered investment adviser in 2024, and certain LPLE clients will invest in LPL-sponsored and -custodied advisory programs.

#### Code of Ethics and Personal Trading

LPL has adopted a code of ethics that includes guidelines regarding personal securities transactions of its employees and IARs. The code of ethics permits LPL employees and IARs to invest for their own personal accounts in the same securities that LPL and IARs purchase for clients in program accounts. This presents a conflict of interest because trading by an employee or IAR in a personal securities account in the same security on or about the same time as trading by a client can disadvantage the client. LPL addresses this conflict of interest by requiring in its code of ethics that LPL employees and IARs report certain personal securities transactions and holdings to LPL. LPL has procedures to review personal trading accounts for front-running. In addition, employees in LPL's Research Department are required to obtain pre-clearance prior to purchasing certain securities for a personal account. Employees and IARs are also required to obtain pre-approval for investments in private placements and initial public offerings. A copy of the LPL code of ethics is available to clients or prospective clients upon request and is available at [lpl.com/disclosures.html](http://lpl.com/disclosures.html).

#### Participation or Interest in Client Transactions

In the case of the SMA Platform, LPL, as principal, buys securities from and sells securities to clients in SMA Platform accounts. This practice could put LPL in a position where its own interests are in conflict with clients. However, LPL is not a market maker in securities and does not carry an inventory. In addition, it is the SMA Portfolio Manager (and not LPL) who as investment advisor determines the securities to be traded in the account. It is also the SMA Portfolio Manager who has a duty of best execution in negotiating transactions for clients.

When LPL executes trades for an SMA Portfolio Manager in a principal capacity on the SMA Platform, it receives a markup or markdown on the transaction. This means, for example, if LPL sells a security at a price higher than what LPL paid, LPL will earn a markup. Conversely, if LPL buys a security at a price lower than what LPL sells it for, LPL will receive a markdown. The maximum markup or markdown that LPL receives when acting in a principal capacity in a SMA Platform account is \$2.00 per bond. In many cases, this maximum does not apply, and the actual markup or markdown is lower, typically \$1.00 per bond. Details about a markup or markdown for a particular transaction will be furnished upon request.

In the case of the MP Platform, LPL as investment advisor determines the securities to be traded in the account; however, LPL is expected to closely track the Model Portfolio, applying discretion only to address particular account issues, including tax loss harvesting, rebalancing, short-term gain avoidance, cash inflows and outflows, and tracking error from the Model Portfolio, and to ensure that investment restrictions are being followed. LPL may also apply discretion to deviate from the model portfolios in



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accounts, in which it is not possible or impractical to be invested in all of a model's holdings, for example in smaller accounts. Though LPL also processes securities transactions, as broker-dealer, for MP Platform accounts, LPL does not charge commissions.

Purchases of mutual fund shares are typically processed through LPL's proprietary account resulting in such purchases being characterized as principal transactions for certain reporting purposes. In such case, the shares will be purchased at the fund's net asset value, and no additional charges will be applied to such transactions as a result of the firm's use of a proprietary account for the mutual fund purchase.

For certain ETFs and stocks, LPL executes trades in fractional shares of those securities as an accommodation to clients. There is not an active open market for fractional shares, and executing trades with LPL is most often the only form of liquidity for a client that holds fractional shares in his or her account. LPL does not receive any compensation in addition to advisory fees for executing trades in fractional shares for a client's advisory account. LPL will only buy and sell fractional shares when: a client is also trading whole shares of the security; in connection with a dividend reinvestment plan; or to sell remaining fractional shares to close a position. Trades in whole and fractional shares typically happen on the same day and will be executed at the same price as a trade in whole shares, or otherwise at market closing price.

LPL's parent company, LPL Financial Holdings Inc., is a publicly traded company. SMA Portfolio Managers are not prevented from purchasing LPL Financial Holdings Inc. stock in Manager Select accounts. In addition, a Manager Select account may include a mutual fund or ETF that holds LPL Financial Holdings Inc. stock as an underlying investment, for example, an ETF that seeks to replicate the performance of an investment services index that includes LPL Financial Holdings Inc.

#### **12b-1 Fees; Recordkeeping Services and Compensation; Revenue Sharing Arrangements.**

Some mutual funds and Program Share Classes in Manager Select charge shareholders a 12b-1 fee. To the extent a mutual fund or a Program Share Class charges a 12b-1 fee, the fee will be paid to LPL by the mutual fund. Any 12b-1 fees paid to LPL by mutual funds (other than the Sweep Funds) will be credited to the account.

LPL performs recordkeeping, administrative services, and shareholder on behalf of mutual funds and receives compensation for the services based on mutual fund holdings of clients. These services include establishing and maintaining accounts with the funds, facilitating settlement of funds, responding to customer inquiries and requests, and maintaining sub-account records reflecting the issuance, exchange, or redemption of shares by each program account. A type of recordkeeping service that LPL provides to certain mutual fund families is to process transactions on an omnibus basis, which means that LPL consolidates client trades into one daily trade with a fund, and maintains all pertinent shareholder information for the fund. In some cases LPL earns recordkeeping compensation with respect to a Program Share Class but does not earn recordkeeping compensation, or earns less recordkeeping compensation, with respect to other share classes of the same fund that are not offered through the Program. If LPL does not provide omnibus services to a mutual fund, then fund shares are traded on a networked basis, which means LPL submits a separate trade for each individual client trade to the fund. In that case, LPL maintains only certain elements of the fund's shareholder information.

The compensation LPL receives from a fund for recordkeeping, administrative and shareholder services is based on the amount of client assets that are invested in the fund (up to 0.30% annually), or the number of positions held by program clients in the fund (up to \$25 per position). In addition, LPL charges a setup fee to product sponsors when adding new investment products or share classes of an investment product to LPL's investment platforms. In the case of ETPs, LPL receives up to \$7,500 per product and up to an additional \$15,000 per product for complex ETPs and ETPs that require special due diligence. In the case of mutual funds, LPL receives a one-time set up fee of up to \$40,000 to add the sponsor to its recordkeeping platform, which is the sum of a \$15,000 due diligence fee and a setup fee of \$5,000 per fund (up to a maximum of \$25,000 total for all funds).

LPL has fee arrangements with investment advisors or distributors ("sponsors") of mutual funds, ETFs, annuities, alternative investment products, and structured products that are available for purchase through the Program, called revenue sharing. Under these arrangements, the sponsor pays LPL a fee based on the amount of client sales or assets invested in the sponsor's funds or a fixed fee, and LPL provides marketing support to the sponsor and allows the sponsor to access LPL representatives



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so that the sponsor can promote such products. The maximum revenue sharing fee received by LPL under these arrangements is 0.15% annually, and certain sponsors also pay a tiered flat fee based on customer assets of up to \$1,000,000 in the case of ETFs. LPL does not accept revenue sharing fees for assets held in retirement accounts. LPL does not require that a sponsor participate in revenue sharing arrangements for the sponsor's products to be selected for an Account. In many cases, LPL receives compensation from a fund for the provision of services in addition to LPL's receipt of revenue sharing payments from the sponsors, including 12b-1 fees and mutual fund recordkeeping fees (described above).

Revenue sharing payments are generally higher for investment products with higher expense ratios (the overall fee paid by an investor in the product). Additionally, revenue sharing payments for some ETFs are based on management fees and will be higher for ETFs with higher expense ratios, both because LPL is paid a portion of the higher fees and because generally the percentage rate that LPL gets paid increases for investment products with higher expense ratios. As a result, LPL has an increased incentive to choose investment products that charge more in fees and to promote or recommend these investment products so that LPL earns more, and that could cause lower performance for client accounts. Other investment products with lower fees that are not party to revenue sharing agreements are available. Higher expense ratios will cause an investor to earn less on an investment than a comparable investment with a lower expense ratio. This results in a conflict of interest between clients and LPL because the revenue sharing arrangements give LPL an incentive to recommend investments that could cause lower performance for client accounts. However, these conflicts are mitigated insofar as the revenue sharing payments LPL receives are not shared with Advisor or the IAR who selects or recommends the investment products for client accounts.

The revenue that LPL receives from 12b-1 fees, recordkeeping compensation, and revenue sharing arrangements is an important revenue stream and presents conflicts of interest that affect LPL's ability to provide clients with unbiased, objective investment advice concerning the selection of funds and share classes for a Model Portfolio in the case of Model Portfolios designed by LPL. In particular, LPL has a financial incentive: (i) to select a product or a Program Share Class that charges a 12b-1 fee and/or pays recordkeeping compensation to LPL over another comparable product or a share class that does not charge 12b-1 fees or pay recordkeeping compensation; (ii) to select a product sponsored by a company that makes revenue sharing payments to LPL, instead of another comparable product whose sponsor does not make such payments; and (iii) to select a product or a Program Share Class that charges 12b-1 fees, pays recordkeeping compensation to LPL, or whose sponsor makes revenue sharing payments to LPL that, in each case, are comparatively higher than those charged or paid by another comparable fund or share class or a sponsor of such products or share classes. Such other comparable products and/or share classes may be more appropriate for a client than the product or Program Share Class offered through the Program. Additionally, LPL receives significantly more revenue sharing from fund sponsors for which LPL's clients have the largest holdings, which creates a conflict of interest for LPL to promote and recommend those investments. LPL's website at [lpl.com/disclosures.html](http://lpl.com/disclosures.html) identifies the mutual funds that pay recordkeeping compensation and the sponsors that make revenue sharing payments to LPL.

LPL credits to clients any 12b-1 fees it receives from mutual funds (other than the Sweep Funds), and therefore, LPL does not have an incentive to select one fund or Program Share Class over another solely on the basis of the 12b-1 fee. In addition, LPL does not share 12b-1 fees, recordkeeping fees, or revenue sharing payments with third party SMA Portfolio Managers or Model Advisors, and, therefore, there is no financial incentive for an SMA Portfolio Manager or Model Advisor to select one fund or a Program Share Class over another comparable fund or share class on the basis of the 12b-1 fee, recordkeeping compensation, and revenue sharing payments that the fund or Program Share Class charges or provides to LPL. LPL also does not share these payments with Advisor. Although LPL does not share recordkeeping fees or revenue sharing payments with Advisor or IARs, such fees and payments will increase LPL's profits and indirectly benefit Advisor and IARs, for example by being used by LPL to support marketing or training costs.

#### Cash Sweep Arrangements

LPL makes available programs for cash in an account to be automatically swept to an interest-bearing Federal Deposit Insurance Corporation ("FDIC")-insured deposit account (or under certain unlikely circumstances, into money market mutual funds), and



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for certain types of accounts, a money market fund. For more information about which types of accounts are eligible to use the different sweep options, please speak to Advisor.

For accounts that sweep cash to the multi-bank insured cash account program offered by LPL (the "ICA")—LPL receives a fee equal to a percentage (up to 6%) of the average daily deposit balance in the ICA, a portion of which LPL pays to Advisor. The fee paid to LPL is applied across all ICA deposit accounts taken in the aggregate; therefore, on some accounts, fees to LPL may be higher or lower than this amount. For accounts that sweep cash to the multi-bank deposit cash account program offered by LPL (the "DCA")—LPL receives a flat monthly fee per account (\$23.25 as of February 8, 2024) based upon the prevailing fed funds target rate, a portion of which LPL pays to Advisor. LPL's compensation under the DCA program is not affected by the actual cash amounts held in your account. For additional information on the ICA or DCA, please see the ICA or DCA Disclosure Booklet available from Advisor. The fees paid to LPL for its sweep programs reduces the interest rate paid on your cash funds, and depending on the interest rate and other market factors, LPL may receive a majority of the interest as fees.

For ICA Overflow Balances maintained in Client Cash Accounts, LPL makes money depending on how those free credit balances are invested or deposited. Pursuant to Rule 15c3-3, LPL can (i) deposit cash balances into a segregated deposit account at its banks, thereby making interest on the Client Cash Account balances deposited, or (ii) invest the cash balances in securities backed by the full faith and credit of the U.S. government, thereby making money on any yield generated by such securities. The amount LPL will earn from these sources will vary based on market forces and the contracts for deposit arrangements that LPL is able to secure with its banks. LPL may use both or either of these vehicles at its sole discretion. Any amounts LPL receives pursuant to these sources will be reduced by the interest payable to you on such Client Cash Account balances, and further reduced by the cost of borrowing any funds necessary to meet its reserve requirements under Rule 15c3-3. For example, LPL may earn interest or a return by investing in short-term U.S. Government or Agency instruments or by using these balances to fund margin loans to its customers at a lower funding cost than would otherwise be the case.

For DCA Overflow Balances maintained in GSAM, LPL receives compensation of up to 0.45% annually of the LPL client assets invested in GSAM in connection with recordkeeping and other services it provides for the funds.

For the narrow set of accounts that are set up for cash to sweep to a money market fund -- the available Sweep Funds typically pay higher 12b-1 fees than other money market funds. With respect to the J.P. Morgan U.S. Government Money Market Fund, LPL receives compensation of up to 0.25% annually of the LPL client assets invested in the Sweep Funds for services it provides for the fund. Together, the 12b-1 fees, recordkeeping fees, marketing support payments, and other compensation from Sweep Funds and their sponsors, allow LPL to receive up to 1% annually of LPL client assets in the Sweep Funds. Advisor earns fees based on the amount of assets in the Sweep Funds.

This compensation that LPL and Advisor receive related to ICA, DCA (including from any ICA and DCA overflow mechanisms) and the Sweep Funds is in addition to the Account Fee received with respect to the assets in the sweep investment. This compensation related to ICA, DCA and Sweep Funds is an important revenue stream and presents a conflict of interest because LPL and Advisor have a financial benefit if cash balances are maintained in the ICA, DCA, or Sweep Funds. LPL shares a portion of this compensation with Advisor. However, this compensation LPL receives on ICA, DCA, and Sweep Funds is not shared with SMA Portfolio Managers or Model Advisors. Therefore, this compensation does not cause a SMA Portfolio Manager or Model Advisor to have a financial incentive to recommend that cash be held in the account instead of holding securities.

Clients should understand that, depending on interest rates and other market factors, the yields on the ICA, DCA and Sweep Funds have been, and may continue in the future to be, lower than the aggregate fees and expenses received by LPL for a client's participation in the cash sweep programs. This may result in a client experiencing a negative overall investment return with respect to cash reserves in the cash sweep programs. Interest rates under ICA and DCA may be lower than the interest rates available if clients make deposits directly with a bank or other depository institution outside of the Program or invests in a money market fund or other cash equivalent. Clients should compare the terms, interest rates, required minimum amounts and other features of the ICA and DCA programs with other types of accounts and investments for cash.



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### Collateralized Lending Arrangements

LPL has partnered with certain banks to help facilitate clients' access to non-purpose lines of credit collateralized by their investment accounts. Because of LPL's arrangements with the banks participating in the program, clients may be limited in their ability to negotiate the most favorable loan terms. Clients are not required to use the banks in LPL's program, and can work directly with other banks to negotiate loan terms or obtain other, potentially more favorable, financing arrangements. If a Client obtains a loan from a non-partner bank, he should notify Advisor of the amount of the line of credit. Clients should understand that the interest and additional fees paid to the bank in connection with the loan are separate from and in addition to the advisory fees the client pays LPL for its advisory services on the account.

LPL receives third party compensation from participant banks based on the amount of outstanding loans. Compensation can be up to 0.75% of the outstanding loan amount. This compensation to LPL varies, and, therefore, LPL can earn more or less depending on the bank selected by the client. The receipt of compensation poses a conflict of interest to LPL because LPL has a financial incentive for the client to select a bank in the program, and a participating bank that pays LPL more than other participating banks. However, LPL does not share this compensation with Advisor or IAR, and therefore, Advisor and IAR do not have a financial incentive if one bank is selected over another. LPL, Advisor, and IARs have an interest in continuing to receive investment advisory fees, which gives LPL, Advisor, and IARs an incentive to recommend that clients borrow money rather than liquidate some of their assets managed by LPL/Advisor. This incentive creates a conflict of interest for LPL, Advisor, and IARs when advising clients seeking to access funds on whether they should liquidate assets or instead hold their securities investments and utilize a line of credit secured by assets in their account. Because LPL, Advisor, and IARs are compensated primarily through advisory fees paid on clients' accounts, LPL, Advisor, and IARs also have an interest in managing an account serving as collateral for a loan in a manner that will preserve sufficient collateral value to support the loan and avoid a bank call. This may present a conflict of interest with clients because it could incentivize Advisor or IARs to recommend more conservative, lower performing investments to maintain the stability of the account.

For additional disclosures regarding LPL's collateralized lending program, including a list of the banks currently participating in the program, please visit [lpl.com/disclosures.html](http://lpl.com/disclosures.html), click on "Account Disclosures, Agreements, Fee Schedules & Conflicts of Interest," and then "Third Party Compensation and Related Conflicts of Interest."

### Credit Cards

As part of its cash management services, LPL makes available for its customers credit cards through a partner bank. LPL receives a flat fee for each new activated credit card that is used by the cardholder in the first 90 days. LPL also receives a portion of the transaction volume of the cardholder's account. LPL's portion of the transaction volume varies depending on the number of LPL active cardholder accounts.

### Other Clients

Client should understand that SMA Portfolio Managers, Model Advisors, LPL, Advisor and IAR perform advisory and/or brokerage services for various other clients, and that they may give advice or take actions for those other clients that differ from the advice given to the client. The timing or nature of any action taken for the account may also be different.

### Review of Accounts

LPL provides Advisor and clients with regular written reports regarding their accounts. LPL provides detailed performance information annually describing account performance and positions, with additional information available upon request. In addition, LPL transmits to clients account statements showing transactions, positions, and deposits and withdrawals of principal and income.

### Other Compensation

SMA Portfolio Managers and Model Providers pay LPL initial diligence and setup fees of up to \$5,000 per strategy or Model Portfolio to make their services available in the Program. LPL and LPL employees also receive additional compensation from





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product sponsors, including SMA Portfolio Managers and Model Advisors. Such compensation may not be tied to the sales of any products or services. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings, customer appreciation events or marketing or advertising initiatives. SMA Portfolio Managers, Model Advisors and other product sponsors may also pay for, or reimburse LPL for the costs associated with, education or training events that may be attended by LPL employees, Advisor and its employees and representatives and for LPL-sponsored conferences and events. LPL and LPL employees also receive reimbursement from product sponsors for technology-related costs, such as those to build systems, tools and new features to aid in serving customers.

LPL employees provide sales support resources to IARs of Advisor that use LPL advisory programs. The compensation that LPL pays to these employees varies based on the assets in LPL's different advisory programs. These employees have an incentive to promote certain advisory programs to IARs of Advisor over other advisory programs. These employees also earn more compensation when IARs of Advisor transition client assets from brokerage accounts to advisory accounts, and have a financial incentive to encourage IARs of Advisor to transition brokerage accounts to advisory.

LPL receives compensation in the form of earnings on its short-term investment of cash in program accounts prior to the time the cash is invested for the account. These earnings are generally known as "float." Cash in the account would typically result from contributions to the account or sales of securities in the account. For accounts that opt out of the sweep program, the accounts may remain in free credit balances. In such case, LPL receives compensation in the form of earnings on cash.

In the event a trade error occurs in the Account, and such error is determined to be caused by LPL, LPL typically will cancel the trade and remove the resulting monetary loss to the client from the account. If a trade correction is required as a result of client (e.g., if client does not make full payment for purchases or fails to deliver negotiable securities for liquidations before trade settlement), LPL typically will cancel the trade and any resulting monetary loss will be borne by the client. In the case of a trade that requires a correction as described above and that resulted in a monetary gain to the client, such gain will be removed from the account and can result in a financial benefit to LPL.

#### Financial Information and Custody

LPL is a qualified custodian as defined in Rule 206(4)-2 under the Advisers Act and maintains custody of Manager Select client funds and securities in a separate account for each client under the client's name. LPL as a qualified custodian sends account statements showing all transactions, positions, and all deposits and withdrawals of principal and income. LPL sends account statements periodically when the account has had activity or quarterly if there has been no activity. Clients should carefully review those account statements.

#### Brokerage Practices

In the case of the MP Platform, all transactions will be executed through LPL, and Client directs that securities transactions for the Account be initiated through LPL. In the case of the SMA Platform, Client directs SMA Portfolio Managers to execute transactions through LPL, subject to the SMA Portfolio Manager's duty as an investment advisor to seek to achieve best execution. Clients should understand that an SMA Portfolio Manager may choose to place some or all trades for accounts with broker-dealer firms other than LPL ("trade away" or "step outs"). Some SMA Portfolio Managers have historically placed nearly all client trades with broker-dealer firms other than LPL for execution, in particular, if the SMA Portfolio Manager follows a fixed-income, foreign or small cap investment strategy. In addition, SMA Portfolio Managers may choose to trade away from LPL in order to aggregate all client transactions into one or more larger "block trades" that are executed through one broker-dealer. This practice may enable an SMA Portfolio Manager to obtain more favorable execution, including a more advantageous net price, than would otherwise be available if orders were not aggregated into a single "block trade." It may also assist the SMA Portfolio Manager in potentially avoiding an adverse effect on the price of a security which could result from simultaneously placing a number of separate, successive or competing client orders.



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When securities transactions are effected through LPL, there are no brokerage commissions charged to the account. If an SMA Portfolio Manager chooses to execute a transaction through a broker-dealer other than LPL, the execution price will usually include a commission or fee imposed by the executing broker-dealer. Clients should understand that the client will bear any such additional trading cost, in addition to the account fee paid to LPL. The additional expenses charged by the broker-dealer executing the transaction may include commissions, mark-ups, mark-downs or "spreads" paid to executing broker dealer firm. Additionally, if a foreign currency transaction is required, there may be foreign exchange or similar fees, including but not limited to fees for foreign ordinary conversion and creation of American Depositary Receipts ("ADRs") charged by third parties as well as foreign tax charges. In many cases, the commission, mark-up, mark-down or other additional expenses charged by the executing broker-dealer or third party will be embedded in the purchase or sale price of such transactions, and not separately indicated on trade confirmations and custodial account statements provided by LPL. In evaluating whether to execute a trade through a broker-dealer other than LPL, an SMA Portfolio Manager will consider the fact that an account will not be charged an additional expenses (such as a commission) if effected directly through LPL.

Dividends paid by securities in a client's account may be automatically reinvested or may be paid to the client in cash. In general, mutual fund dividends will be reinvested in the specific mutual fund paying the dividend, while dividends for equity securities, ETFs and ETNs will generally be paid in cash. Interest on fixed income securities is paid in cash.

Clients should understand that LPL is not able to fully evaluate whether an SMA Portfolio Manager is meeting its best execution obligations to clients for specific transactions when trading away, as it is not a party to such transactions and is not in a position to negotiate the price or transaction related charges with the executing broker. The responsibility to determine whether to trade away lies with the SMA Portfolio Manager and arises out of an SMA Portfolio Manager's individual fiduciary duty to clients. Additional information regarding equity trading away practices of SMA Portfolio Managers is available on [lpl.com/disclosures.html](http://lpl.com/disclosures.html) (see "Third-Party Portfolio Manager Trading Practices" under "Market & Trading Disclosures").

Clients should consider whether or not the appointment of LPL as the broker-dealer may or may not result in certain costs or disadvantages as a result of possibly less favorable executions. Clients should understand that not all wrap program sponsors require brokerage to be directed to the sponsor. By directing brokerage to LPL, clients may be unable to achieve the most favorable execution of client transactions. In particular, a client's Manager Select account may not be able to participate in block trades affected by a SMA Portfolio Manager for its other accounts, which may result in a difference between prices charged to a Manager Select account and SMA Portfolio Manager's other accounts. For these reasons, directed brokerage may cost clients more money.

SMA Portfolio Managers (in the case of SMA Platform Accounts) or LPL may aggregate transactions for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. Clients should read and understand the disclosure in Form ADV Part 2 of the applicable SMA Portfolio Manager in the case of SMA Platform accounts.

#### Brochure Supplements

Accompanying this Brochure are Brochure Supplements for individual employees or officers of LPL. Note that although these individuals are responsible for investment advice provided by LPL, they are not responsible for the ongoing individualized investment advice provided to a particular client. For more information about the Advisor, client should contact the Advisor.



## BROCHURE SUPPLEMENTS

March 28, 2024

Marc Andrew Zabicki  
Louis James Carpenetti  
Garrett Fish  
Jason Hoody  
Kristian Kerr

Jeffrey Roach  
Adam Turnquist  
Lawrence Dean Gillum  
Jina Yoon  
Quincy Krosby  
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These Brochure Supplements provide information about certain LPL employees or officers that supplements the LPL Financial Brochure that is attached to these Brochure Supplements. Please contact LPL Financial at the number above if you did not receive the LPL Financial Brochure or if you have any questions about the contents of these Brochure Supplements. You may also contact your LPL investment advisor representative with questions. Additional information about these LPL employees or officers is available on the SEC's website at <https://adviserinfo.sec.gov/>.

Note that although these LPL employees or officers included in these Brochure Supplements are responsible for investment advice provided by LPL they are not the IARs responsible for the ongoing individualized investment advice provided to a particular client. For more information about the IAR managing the account, client should refer to the Brochure Supplement for the IAR, which should have been provided by the IAR along with the LPL Financial Brochure and these Brochure Supplements at the time client opened the account. If client did not receive a Brochure Supplement for the IAR, the client should contact the IAR or LPL at [lplfinancial.adv@lplfinancial.com](mailto:lplfinancial.adv@lplfinancial.com).

### **Marc Andrew Zabicki**

#### **Educational Background and Business Experience**

Marc Zabicki was born in 1966. He has a BS in Economics from Florida State University and he is a Chartered Financial Analyst (CFA). He is Chief Investment Officer and the Director of Research for LPL Research and has been with the firm since 2020. Prior to joining LPL, he was Chief Investment Officer at Bower Hill Capital Management.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Zabicki is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Zabicki receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL

Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

#### **Supervision**

Mr. Zabicki is responsible for the advice provided by the LPL Research Department through LPL's advisory programs, and he reports to Rob Pettman, Executive Vice President. The advice provided by Mr. Zabicki is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The Chief Compliance Officer ("CCO"), Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.



## **BROCHURE SUPPLEMENTS**

### **Louis James Carpenetti**

#### **Educational Background and Business Experience**

Louis James Carpenetti was born in 1971. He has a BS in Management from Palm Beach Atlantic University, an MBA from Georgia College & State University, a CFA Charterholder and has earned the CFP® certification. He is Senior Vice President of Trading at LPL and joined LPL in July 2021. Prior to joining LPL, Mr. Carpenetti was Managing Director for Truist for 22 years serving in a variety of management and trading capacities.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Carpenetti is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Carpenetti receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

#### **Supervision**

As Senior Vice President, Mr. Carpenetti is responsible for trade execution in LPL's advisory programs, subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Garrett Fish**

#### **Educational Background and Business Experience**

Garrett Fish was born in 1969. He has a BA in Japanese History from Bates College and is a CFA Charterholder. He

is a Senior Vice President and Head of Model Portfolio Management at LPL and joined LPL in 2022. Prior to joining LPL, Mr. Fish was a Portfolio Manager at JPMorgan Asset Management.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Fish is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Fish receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

#### **Supervision**

Mr. Fish reports to Mr. Zabicki, Chief Investment Officer and the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Fish is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Jason Hoody**

#### **Educational Background and Business Experience**

Jason Hoody was born in 1975. He has a BS in Political Science from Clarkson University, an MA in International Affairs from American University, an MS in Finance from Johns Hopkins University, and is a CFA Charterholder. He is a Senior Vice President in Research at LPL and joined LPL in 2015. Prior to joining LPL, he was a Vice President at BB&T and an analyst at KPMG.



## **BROCHURE SUPPLEMENTS**

### **Disciplinary Information**

None.

### **Other Business Activities**

None.

### **Additional Compensation**

Mr. Hoody receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Hoody reports to Mr. Zabicki, Chief Investment Officer and the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Hoody is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Kristian Kerr**

#### **Educational Background and Business Experience**

Kristian Kerr was born in 1977. He has a BBA in International Business from Schiller International University in Madrid, Spain. He is a Senior Vice President and the Head of Macro Strategy at LPL and joined LPL in 2023. Prior to joining LPL, Mr. Kerr worked at Citi Private Bank as the Western Region Head of Foreign Exchange & Macro.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Kerr does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

### **Additional Compensation**

Mr. Kerr receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Kerr reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Kerr is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Jeffrey Roach**

#### **Educational Background and Business Experience**

Jeffrey Roach was born in 1973. He has a BS in Mathematics from Bob Jones University and a MA and PhD in Economics from Clemson University. He is Chief Economist at LPL and joined LPL in 2022. Prior to joining LPL, Dr. Roach was Senior US Economist for Visa Inc, Managing Director, Economist at MacroView Partners and Chief Economist at Horizon Investments.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Dr. Roach is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Dr. Roach receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL





## **BROCHURE SUPPLEMENTS**

Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Dr. Roach reports to Mr. Zabicki, Chief Investment Officer and the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Dr. Roach is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Adam Turnquist**

#### **Educational Background and Business Experience**

Adam Turnquist was born in 1984. He has a BS from the University of Minnesota-Duluth and an MBA from the University of St. Thomas. He is Chief Technical Strategist and joined LPL in 2022. Prior to joining LPL, Mr. Turnquist worked as a Vice President, Technical Research Analyst at Piper Sandler.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Turnquist is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Turnquist receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance,

capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Turnquist reports up to Mr. Zabicki, Chief Investment Officer and the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Turnquist is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Lawrence Dean Gillum**

#### **Educational Background and Business Experience**

Lawrence Gillum was born in 1974. He has a BS from University of Florida and a Master in Business Administration from the University of North Carolina, Keenan Flagler Business School. He is Vice President of Research at LPL and joined LPL in 2021. Prior to joining LPL, Mr. Gillum served as a Director at Raymond James where he oversaw fixed income research within the firm's discretionary model platform.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Gillum is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Gillum receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return,



## **BROCHURE SUPPLEMENTS**

and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Gillum reports up to Mr. Zabicki, Chief Investment Officer and the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Gillum is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Jina Yoon**

#### **Educational Background and Business Experience**

Jina Yoon was born in 1983. She has a BS and MEng from Cornell University. She is Chief Alternate Investment Strategist at LPL and joined LPL in 2023. Prior to joining LPL, Ms. Yoon was the Head of Portfolio Management & Senior Portfolio Manager at Nomura Private Capital. Prior to Nomura, she served both Institutional and Private Wealth Clients as the Head of Tactical Strategies at Credit Suisse.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Ms. Yoon does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Ms. Yoon receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Ms. Yoon reports up to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Ms. Yoon is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Quincy Krosby**

#### **Educational Background and Business Experience**

Quincy Krosby was born in 1948. She has an MPhil and PhD from The London School of Economics. She is Chief Global Strategist at LPL and joined LPL in 2022. Prior to joining LPL, Ms. Krosby worked at Prudential Financial as Chief Market Strategist.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Ms. Krosby is a registered representative of LPL. However, she does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Ms. Krosby receives a regular salary.

### **Supervision**

Ms. Krosby reports to Mr. Zabicki, Chief Investment Officer and the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. This is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.



## **BROCHURE SUPPLEMENTS**

### **Scott Froidl**

#### **Educational Background and Business Experience**

Scott Froidl was born in 1971. He has a BS from Lindenwood University. He is AVP Senior Investment Analyst at LPL and joined LPL in 2021. Prior to joining LPL, Mr. Froidl was a Senior Investment Analyst at Wells Fargo from 2018 until 2021 and Senior Investment Analyst at Stifel in 2018 while starting with the firm in 2001.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Froidl is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Froidl receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

#### **Supervision**

Mr. Froidl reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Froidl is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Jeffrey Alan Buchbinder**

#### **Educational Background and Business Experience**

Jeffrey Alan Buchbinder was born in 1971. He has a BA in Economics from Northwestern University and an MBA from Duke University. He is Chief Equity Strategist and Portfolio Manager for LPL Financial Research and has been with the firm since 2003. Prior to joining LPL, he served as an Equity Research Associate at Sanford C. Bernstein. Prior to

Bernstein, he was an Equity Research Associate at Deutsche Bank.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Buchbinder is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Buchbinder receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

#### **Supervision**

Mr. Buchbinder reports up to Mr. Zabicki, Chief Investment Officer and the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Buchbinder is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **George Smith**

#### **Educational Background and Business Experience**

George Smith was born in 1983. He has a BS in Mathematics from the University of Bristol in the United Kingdom (UK). He is Portfolio Strategist at LPL and joined LPL in 2013. Prior to joining LPL, Mr. Smith worked in London, UK for Legal and General Investment Management (LGIM) and Goldman Sachs Asset Management (GSAM).



## **BROCHURE SUPPLEMENTS**

### **Disciplinary Information**

None.

### **Other Business Activities**

Mr. Smith is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

### **Additional Compensation**

Mr. Smith receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Smith reports up to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Smith is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.



# Equitable Advisors, LLC

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*(866) 283-0767, Option 2*  
[www.equitable.com](http://www.equitable.com)

## **2024 Firm Brochure** *(Form ADV Part 2A)*

This Form ADV Part 2A (this “**Brochure**”) provides information about the qualifications and business practices of Equitable Advisors, LLC (“**Equitable Advisors**” or “**we**”). If you have any questions about the contents of this Brochure, please contact us at (866) 283-0767, and select Option 2 and then Option 2 again. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Equitable Advisors is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). Registration of an investment adviser does not imply a certain level of skill or training. The oral and written communications investment advisers provide to you, including through brochures such as this one, provide you with important information you should use to determine whether to hire or retain an investment adviser.

Additional information about Equitable Advisors is available on the SEC’s website at <https://adviserinfo.sec.gov>.

September 27, 2024



## Item 2 – Summary of Material Changes

This Brochure, dated September 27, 2024, provides information as part of our ongoing updating process, and constitutes an interim (other-than-annual) amendment. This Brochure also constitutes the disclosure required to be provided to plan sponsors under Section 408(b)(2) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and the regulations thereunder. This Brochure is different from our prior annual amendment, filed on March 28, 2024, in the following respects:

- *Item 4 – The list of third-party asset managers listed in Section E (third-party asset managers to which new business is not referred (i.e., offered on a “service-only basis”)) has been updated.*
- *Item 4 – The list of third-party asset managers in Section E (to which we refer business but otherwise do not maintain a client relationship with the referred investor) has been updated.*
- *Item 4 - Assets Under Management – Information relating to our assets under management has been updated.*
- *Item 5 – Our Asset Management Fee Chart, showing minimum and maximum fees paid to Equitable Advisors under various advisory programs has been updated.*
- *Item 10 – The list of our affiliated investment advisers has been updated to remove W.P Stewart Asset Management, Ltd.*

We will provide clients additional ongoing disclosure information about material changes, including revised Brochures, as necessary based on material changes or new material responsive information. Any such information will be provided to clients free of charge. A client may request a current copy of this and any future Brochures at any time by contacting Equitable Advisors at (866) 283-0767 and selecting Option 2 and then Option 2 again, or by going online to <https://adviserinfo.sec.gov/firm/6627> and clicking on “Part 2 Brochures”. Our Relationship Summary for Retail Investors can be found by clicking on “Part 3 Relationship Summary.”

Additional information about Equitable Advisors is available via the SEC’s website: <https://adviserinfo.sec.gov>. The SEC’s website also provides information about Equitable Advisors’ registered investment adviser representatives.

## **Item 3 – Table of Contents**

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## Item 4 – Advisory Business

### **A. Overview – Equitable Advisors and its Financial Professionals**

Equitable Advisors is a Delaware limited liability company formed in July 1999. Equitable Advisors is registered with the SEC as (1) an investment adviser under the Advisers Act, and (2) a broker-dealer under the Securities Exchange Act of 1934, as amended (“**Exchange Act**”), and, as a registered broker-dealer, is a member of the Financial Industry Regulatory Authority, Inc. (“**FINRA**”). Equitable Advisors is an indirect wholly owned subsidiary of Equitable Holdings, Inc. (“**EQH**”), a public company under the Exchange Act, the common stock of which is traded on the New York Stock Exchange (NYSE: EQH). EQH comprises two principal financial services franchises: Equitable and AllianceBernstein. Equitable is the brand name of the retirement and protection subsidiaries of EQH, including Equitable Financial Life Insurance Company (Equitable Financial) (NY, NY); Equitable Financial Life Insurance Company of America (Equitable America), an AZ stock company with an administrative office located in Charlotte, NC; and Equitable Distributors, LLC. AllianceBernstein (“**AB**”) is the brand name of the global asset management and broker-dealer subsidiaries of AllianceBernstein L.P., which provide investment management and research services worldwide to institutional, high-net-worth and retail investors.

As an investment adviser, Equitable Advisors and its investment adviser representatives (in such capacity, “**IARs**”) have a fiduciary duty to advisory clients. All of our IARs are also registered representatives in our broker-dealer business; however, most, but not all, of our registered representatives in our brokerage business are also IARs. Many of our IARs also are licensed as insurance agents of Equitable Network, LLC (“**Equitable Network**”) another indirect subsidiary of EQH (and, therefore, our affiliate), and act in such capacity when recommending variable annuity products to clients. Our IARs are generally referred to in this Brochure as “**Financial Professionals**.”<sup>1</sup> Our Financial Professionals may also be known as Financial Consultants, Associate Financial Planners, Financial Planners, Financial Advisors or Registered Representatives (the latter in the broker-dealer context).

Most, but not all, of our Financial Professionals are fully credentialed and able to offer the full range of advisory services described in this Brochure. However, Equitable Advisors requires that a Financial Professional hold additional credentials, undergo specific training, or satisfy other qualifications before providing certain services. These include, for example, certain financial planning services, exercising discretionary authority over client accounts in the Strategic Asset Management Program (“**SAM**”), or serving as a fiduciary or investment manager to a qualifying plan account under Section 3(21) or Section 3(38) of ERISA, respectively (each as discussed in this Item 4 below). In some cases, Financial Professionals not authorized to provide a given service are permitted only to refer clients to other of our Financial Professionals or to third-party asset management firms. Depending on your needs, such limitations may present a conflict of interest for your Financial Professional. You should discuss any such limitations with your Financial Professional to ensure you understand any applicable limitations and any conflicts of interest to which they give rise.

Equitable Advisors and its Financial Professionals do not provide legal, accounting or tax advice or services. We recommend that clients consult their own legal, accounting, and tax advisers in connection with the

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<sup>1</sup> In providing advisory services to clients, our Financial Professionals may also use the titles Financial Consultant, Associate Financial Planner, Financial Planner (if so qualified), or Financial Advisor.

implementation of a financial plan or investment advice. Additionally, Equitable Advisors' Financial Professionals do not provide investment advisory services to federal, state, or local governmental entities.

This Brochure discusses conflicts of interest that are relevant to Equitable Advisors' business as a federally registered investment adviser under the Advisers Act. Certain professional organizations may also have disclosure or other requirements. For additional information, please see Equitable Advisors' Relationship Summary for Retail Investors ("**Form CRS**"), General Conflicts of Interest Disclosure, Third-Party Compensation and Conflicts of Interest Disclosure, and Principles of Investing brochure. For a discussion of certain risks of investment advisory programs and investments Equitable Advisors offers, see the Risks of Investing in Advisory Programs document. All of the foregoing materials are available on our disclosure website at <https://equitable.com/CRS>. Clients are, of course, always welcome to contact the Financial Professional that services their account or planning needs.

## **B. Tailoring Our Services to a Client's Needs**

We strive to tailor our advisory services to the individual needs of our clients. Prior to providing a client with any financial planning or other investment advisory services, a Financial Professional will work with the client to mutually define the scope of the services. This process will include an exploration of the client's values, attitudes, expectations, risk tolerance, and time horizons, as well as the client's financial goals, needs and priorities.

The Financial Professional will also work with the client to determine which assumptions should be used in developing financial planning advice, so that any projections included reflect the client's views on future conditions and events. These assumptions may include personal assumptions (*e.g.*, retirement age, life expectancy and income needs) as well as economic assumptions (*e.g.*, inflation rates, tax rates and investment returns). Such assumptions and projections are described in more detail in this Item 4, below.

## **C. The Advisory Services We Provide to Clients**

We offer two main types of investment advisory services:

- (1) financial planning (discussed in Section D below), and
- (2) asset management (discussed in Section E below).

In some circumstances, we also offer education and other services to retirement plan sponsors and their participants and, as part of our asset management business, fiduciary advisory services to plan fiduciaries (including discretionary and non-discretionary asset management). This business is specifically discussed in Section D.5.

In the remainder of this Item 4 – Advisory Business, we will provide more detail regarding our financial planning and asset management services.

## **D. Financial Planning Services**

### **1. Financial Planning Generally**

Our Financial Professionals may provide personal financial planning services that include education, advice, and the preparation and delivery of a written financial plan or advice that includes general recommendations to help the client achieve his or her personal financial goals. In some circumstances, affiliated representatives of Equitable Advisors may also refer potential clients for financial planning services to other investment advisers and receive compensation for the referral.

Our personal financial planning services typically involve three steps:

- gathering information from the client and completing a client profile;
- developing the advice or plan; and
- delivering and presenting the plan or advice to the client.

A client may enter into a financial planning agreement with Equitable Advisors by signing a financial planning services agreement and, in most cases, agreeing to pay a fee in exchange for those services. We offer both fee and non-fee financial planning programs. The financial planning agreement is cancelable at any time by either party for any reason and has a one-year term; at the expiration of that term, if desired, a new agreement must be executed by the client. In addition, except as described below with respect to ongoing advice models, Equitable Advisors will refund the full financial planning fee paid by any client who is not satisfied with the services and requests a refund within ninety (90) days after service delivery.

The financial plan or advice will not include investment advice, analysis, or recommendations regarding specific securities or investment or insurance products. Upon delivery of a financial plan or advice to a client, the client will review the plan or advice and provide acknowledgement of receipt through a signed delivery receipt or via an electronic acknowledgement. The financial planning advisory relationship ends upon the client's acknowledgment of the written financial plan or advice. However, because our Financial Professionals are also registered representatives of Equitable Advisors, a registered broker-dealer, and licensed insurance agents of Equitable Network, they are able to identify insurance and securities products and other investment advisory services offered by Equitable Advisors, its affiliates, and various carriers and other investment product or service providers that may be suitable for implementing the plan or advice. These product-specific implementation recommendations may be prepared in a separate written document, generally following plan delivery. Any document in which they may be set forth is not part of the plan or advice.

Equitable Advisors generally will receive commissions (or advisory fees) if the client decides to purchase any products or services through the Financial Professional, and the Financial Professional will receive a portion of any commissions received in his or her capacity as a registered representative of a broker-dealer or as an insurance agent, and/or fees for any advisory services performed. Thus, the Financial Professional has an incentive to recommend that such products or services be obtained through Equitable Advisors, which is a conflict of interest. Equitable Advisors addresses that conflict through supervisory oversight designed to ensure that all recommendations by the Financial Professional comply with



regulatory requirements, and by the fact that clients have no obligation to purchase any such products or services through Equitable Advisors, its affiliates, or other carriers.

In some circumstances, Financial Professionals with clients in managed accounts, as described in the “Asset Management Programs” section below, include financial planning services within the services provided as part of their annual asset-based fee.

Equitable Advisors also makes available a variety of financial analyses, account review tools and reports for clients. Unless accompanied by a financial planning agreement and a copy of this Brochure, these documents are not part of Equitable Advisors’ financial planning services and are provided to clients either in our capacity as a broker-dealer (and/or insurance agent, by our affiliate Equitable Network), to provide education and/or advice regarding products, or in our capacity as a registered investment adviser to help clients select, allocate their assets among, and monitor the performance of specific investments.

The following is a description of the various personal financial planning services we offer. A fee schedule and additional information relating to how fees are determined and paid with respect to such services is included in Item 5 – Fees and Compensation.

### ***Goals***

Based on the long-term goals a client has identified; a Financial Professional will analyze the client’s particular situation and provide recommendations on the topics that align with his or her goals. Financial planning services may or may not also include other services listed below.

### ***Financial Position***

The Financial Position topic is designed to ensure the foundation of a client’s financial plan is secure. This area may also evaluate the client’s current level of cash reserves to provide an assessment of his or her ability to cover expenses in the case of emergency.

### ***Insurance Needs***

This service is intended to prepare clients for the unexpected needs or impact on cash flow or net worth arising from death, disability and long-term care, or other circumstances specific to the client’s personal financial situation. A client’s Financial Professional may provide advice regarding the level of survivor income protection and disability insurance a client may need in order to protect his or her (or survivors’) financial goals and desired lifestyle. This service may include estimates of survivor income needs resulting from a lost pension or social security income due to a spouse passing away. A client’s plan may also include advice on the level of long-term care coverage he or she may need to protect assets from depletion and to maintain a desired retirement lifestyle.

### ***Asset Allocation and Investment Planning***

This service provides a client with an evaluation assets and potential strategies to help optimize portfolio performance to reach his or her goals. An asset allocation report may be provided to help a client develop an investment portfolio that is designed with a level of risk that he or she finds acceptable. (Please note that asset allocation is a long-term approach to investing and that financial planning services generally do not include advice regarding “market timing” (i.e., short-term reallocations among asset classes)).

### ***Retirement and Distribution Planning***

Retirement Planning helps a client plan for retirement. The Financial Professional may provide the client with a current estimate of future retirement income and expenses and can illustrate potential savings and investment combinations to help the client meet his or her retirement needs.

Distribution Planning helps a client understand actions required to transition into retirement. This may involve significant repositioning of assets, addressing timing issues and reviewing risk tolerance in order to provide adequate income and financial security during the client's retirement years. The client may also receive analysis to help him or her understand and evaluate options for plan distributions, Social Security, work, leisure, health care and other decisions.

### ***Education***

This service helps clients plan for funding sources and expenses related to education. A Financial Professional can provide the client with solutions for existing assets, income, savings, and funding options that can be designated toward achieving the client's or his or her dependents' educational goals.

### ***Estate Planning***

This service will help you prepare for passing wealth to your beneficiaries in an efficient manner. It may include an analysis that provides an estimate of estate settlement costs and the possible remainder of your estate(s) that could be passed on to heirs. Your Financial Professional will propose options to help manage costs, leave a legacy, and provide for others. In addition, your Financial Professional can assist your attorney in the settlement of an estate.

### ***Stock Options***

This service provides clients with multiple strategies to consider in exercising employment-based non-qualified and incentive stock options. This may include portfolio analysis intended to help the client determine the appropriate time to exercise options given risk and reward considerations and to illustrate the after-tax effects of exercise and sell strategies while considering tax and cash flow efficiency.

### ***Income Tax Planning***

This service is intended to address general tax considerations for financial services products, transactions, and ownership structures. Working with a client's tax professional, a Financial Professional can also help identify options related to financial planning strategies and goals. This service may also analyze various strategies for tax efficient withdrawals from tax-deferred accounts and to minimize the taxation of Social Security income. Neither Equitable Advisors nor a Financial Professional provides tax or legal advice under this planning service (or any other financial planning service we offer).

### ***Major Purchase Planning***

Major Purchase Planning seeks to identify annual and monthly savings needed for various goals such as making a large purchase (e.g., a second home) and/or other income sufficiency needs. This service may also analyze different personal financial choices such as spending less for the major purchase, saving more

for the major purchase, and adjusting the timing of the major purchase. This may include an analysis of your current financial position relative to a level of income sufficient for various other major purchase goals you have identified.

### ***Divorce Planning***

This service is designed to propose strategies for one party to a divorce to arrange for his or her personal finances during a divorce. This service may include a divorce financial plan, which is designed to assist the individual client (one of the divorcing parties) and his or her attorney in evaluating the long-term financial consequences of proposed divorce or settlement options.

This service does not recommend a preferred divorce settlement option. Additionally, any illustrations regarding ownership of assets or division of assets and liabilities are for educational purposes only and are not recommendations; all decisions regarding such matters should be made by the client and his or her attorney. Note that any documents, analyses, and other reports provided, and statements made, by a Financial Professional in providing the divorce planning service may be discoverable by another party to the proceeding; a client should consult with his or her attorney regarding such issues. The client's attorney, not the Financial Professional, is the legal advocate on the client's behalf.

### ***Assumptions, Projections, and Estimates are not Guaranteed***

Projections in financial plans or advice are based on numerous assumptions as to future conditions, including interest rates, inflation rates, income tax rates, Social Security benefits, and returns on investments. Such projections are intended to help the client:

- estimate amounts needed to fund specific future goals (e.g., education funding, retirement, etc.), and
- develop appropriate strategies to meet these goals.

Since projections are dependent on future events which cannot now be known, there is no assurance that the projections or any estimates will be realized or, even if they are realized, will be sufficient to meet future needs.

All projections and estimates are furnished for illustrative purposes only and are not predictions or guarantees of the return on any assets that the client owns or could purchase. The Financial Professional will work with the client to determine which "assumptions" should be used in developing financial planning advice, so that any projections or estimates reflect the client's views and perspective on future conditions and events. These assumptions may include the following:

- personal assumptions such as: retirement age, life expectancy, income needs, risk factors, time horizon, and special needs; and
- economic assumptions such as inflation rates, tax rates, and investment returns.

The client's assumptions related to acceptable risk levels may also be measured through the completion of a risk tolerance questionnaire.

Clients are encouraged to review and update their plans or advice received periodically to take account of changing conditions including, among other things, changes in their own circumstances, goals, or objectives.

## **2. Seminars**

Financial Professionals may conduct investment advisory seminars for employer-sponsored employee meetings, specific client groups, or other types of group meetings. Seminars may cover many aspects of financial planning, including risk management, cash management, investment planning, income tax, retirement planning, and estate conservation. The fees charged for seminars are described in our response to Item 5 – Fees and Compensation below.

Seminars will be general in nature and limited to educational and impersonal advice. The information a Financial Professional provides at a seminar is not intended to address any attendee's personal financial situation, and attendees will not be obligated to implement any advice, recommendation, or information they receive through Equitable Advisors or any other party.

Seminars provided to groups of employees are not intended as "employee benefits" covered by ERISA or any other law. In addition, the limits on Equitable Advisors' activities described below under "Retirement Plan Investment Advisory Services" apply to any services provided to employees that participate in a qualified retirement plan that is subject to ERISA or an IRA subject to applicable provisions of the Internal Revenue Code of 1987, as amended (the "**Internal Revenue Code**").

## **3. Corporate Financial Planning**

Equitable Advisors may enter into written agreements with select corporate, institutional, or membership organizations to provide planning services to their employees, partners, independent contractors, or members. The fees, if any, in connection with these services are subject to negotiation between Equitable Advisors and the organization. The negotiated fees may vary substantially from the fees described elsewhere in this Brochure. Those receiving financial planning or other services under an institutional agreement typically pay lower fees than those clients who otherwise enroll in personal financial planning services.

The services provided by Equitable Advisors pursuant to corporate agreements are not intended as "employee benefits" covered by ERISA or any other law. In addition, the limits on Equitable Advisors' activities described below under "Retirement Plan Investment Advisory Services" apply to any services provided to employees that participate in a qualified retirement plan that is subject to ERISA or an individual retirement account ("**IRA**") subject to the Internal Revenue Code.

## **4. Business Strategies Services**

Equitable Advisors may also allow certain credentialed Financial Professionals to provide Business Strategies Services, which include business exit planning and other business planning services. Business Strategies services shall include providing certain educational modules to business owners to assist them in accomplishing their objectives with regard to the realization and preservation of maximum business value and personal wealth. The Financial Professionals utilize a client questionnaire to determine which educational modules may be of value to the client.

## E. Asset Management Programs

With respect to asset management services, we act (i) as a “promoter” (also called an “endorser” or “solicitor”) or a “co-advisor” for third party program sponsors as part of a turnkey asset management program (such sponsors referred to as “TAMPs”), or (ii) as the portfolio adviser or manager (or as an adviser to the client in selecting a strategist or manager) on a third-party platform, generally through LPL, including SAM and MWP (defined below), among others (“LPL Programs”).

### 1. Types of Advisory Programs offered through TAMPs and LPL Programs

- Mutual Fund Advisory Programs – a mutual fund program that allows investors to allocate their assets across multiple mutual funds. These programs typically include elements such as client profiling, fee-based pricing, and rebalancing.
- Exchange Traded Fund (ETF) Advisory Programs – managed account programs that allow investors to allocate their assets across multiple ETFs. These programs include elements such as client profiling, fee-based pricing, and rebalancing.
- Financial Professional as Advisor Programs – non-discretionary and discretionary fee based advisory programs that enable investors to hold different types of securities (e.g., mutual funds, ETFs, equities, fixed income, etc.).
- Separately Managed Account (SMA) Advisory – managed programs that utilize separate accounts as the investment vehicle. These separate accounts are managed by a third-party money manager and will contain individual securities such as equities and individual fixed income securities. These can be traditional, where a single account corresponds to a single investment strategy, or multi-discipline where the program offers multiple disciplines within the same separate account with an overlay manager responsible for coordinating the multiple disciplines into a unified portfolio.
- Unified Managed Account – a single account that houses multiple investment products such as separately managed account managers, mutual funds, and ETFs. The account utilizes a platform that provides the ability to manage an investor’s assets in a comprehensive portfolio. In MWP, the Financial Professional may serve as a strategist by designing models that, if selected by the client, are implemented by LPL as overlay manager on a discretionary basis.

When clients invest through third party advisory programs it is typical that the program sponsor has the authority to place trades on their behalf without consent (i.e., the program sponsor has “discretion”).

The following Sub-sections 2 and 3 provide a high-level description of the programs generally available through Equitable Advisors. Sub-Section 3 specifically discusses our qualified plan and ERISA services, including our ERISA fiduciary services. The following is not a full description of any program. Please refer to the ADV Part 2A of the TAMP or Program Brochure of an LPL Program to determine the specifics of each particular investment program, including information regarding separately managed accounts in each program.

## 2. Referrals to TAMPs

As a promoter in referring clients to TAMPs, we act in accordance with the Advisers Act, including Rule 206(4)-1 thereunder (the “**Marketing Rule**”) governing paid testimonials or endorsements. These TAMPs sponsor advisory programs and charge the client an advisory fee based on assets invested. The TAMP pays Equitable Advisors a portion of that advisory fee. A few additional points regarding our role as promoter for these programs:

- We will typically carry out various client interface activities in exchange for our fee, which may include assisting the client in completing account opening paperwork, conducting an annual meeting with the client to determine if the program remains suitable, and facilitating communication between the TAMP and the client.
- Generally, the TAMP will be responsible for determining the specific investments and/or sub-managers that are used to populate a client’s account. Our responsibilities and those of the TAMP will be described in the client agreement for the program and the TAMP’s investment advisory or program disclosure document, which we urge the client to read prior to investing.
- Your client agreement will generally be between you and the TAMP in question. Equitable Advisors may or may not be a party to such agreement, depending on the program. In circumstances where we, acting as a promoter, have referred you to a third-party asset manager and maintain ongoing responsibilities with respect to your account, our mutual responsibilities are described in a separate agreement entitled “Investment Adviser Agreement – Third Party Programs” which can be found on our Disclosure Website (<https://equitable.com/CRS>).
- In some cases, we will not have ongoing contact and responsibilities with respect to your account after you are referred to a TAMP.

The following is a list of the TAMPs Equitable Advisors makes available to its clients and a brief description of the programs we offer through them. For more information on these programs, including the applicable account minimums (which generally range from \$10,000 to \$2 million), fees, expenses, and potential conflicts of interest, please see the investment advisory or program disclosure document of the respective program sponsor, which will be provided prior to opening an account.

### *a. TAMPs for which Equitable Advisors Maintains Ongoing Responsibilities*

Under the following TAMP arrangements, Equitable Advisors maintains ongoing responsibilities – primarily conducting an annual meeting with the client to determine if the program remains suitable and facilitating communication between the TAMP and the client.

#### **New Business Being Referred**

##### Advisors Capital Management (“ACM”)

Equitable Advisors offers clients access to various investment advisory programs offered through ACM. For each of the ACM programs (Model Separate Accounts and Private Account Strategies), the Equitable Advisors Financial Professional works with you to complete the individual client questionnaire, which allows ACM to determine the appropriate investment strategy recommendations to meet your



investment objectives. ACM's investment strategies include Global Growth, Global Dividend, International ADR, Small/Mid Cap Core, Growth, Core Dividend, Income with Growth, Balanced, Balanced Defensive (Overlay) and Fixed Income.

Note that ACM may allow you to use funds from your advisory account offered through ACM to pay premiums on life and annuity products, including products offered by Equitable Financial Life Insurance Company, an insurance company affiliate of Equitable Advisors (along with Equitable Financial Life Insurance Company of America; together, "Equitable Financial"), and third-party insurance carriers. Equitable Advisors also offers ACM as an investment advisory option, called PathFinder, to provide assistance in managing assets that retirement plan participants have elected to move into their self-directed brokerage account ("SDBA"). The PathFinder program offers managed mutual fund strategies that can be combined in different ways to reflect your specific investment objectives, taking your risk tolerance and time horizon into account. For direct payroll contributions, ACM imposes no minimum investment amount although your plan may limit how much money you can have in or contribute to your SDBA.

#### AssetMark, Inc. ("AssetMark")

AssetMark provides a variety of advisory programs to clients including Privately Managed Portfolios, Multiple Strategy Portfolios, No Load Mutual Fund Portfolios, ETF Portfolios, Privately Managed Account Solutions, Select Solutions, and Preservation Strategy. For each AssetMark program, a Financial Professional consult with clients to assess their financial situation and identify their investment objectives in order to assist the client in investing in portfolios designed to meet the client's financial needs. Working with their Financial Professional, clients select advisory service(s) and investment objective(s) available within the program(s). AssetMark manages the assets based on a client's individual financial circumstances, investment needs and goals and level of risk tolerance.

Note that AssetMark may allow you to use funds from your advisory account offered through AssetMark to pay premiums on life and annuity products, including products offered by Equitable Life Insurance Company, an insurance company affiliate of Equitable Advisors, and third-party insurance carriers.

#### Boyd Watterson Asset Management ("Boyd Watterson")

Boyd Watterson specializes in managing fixed-income portfolios, equity portfolios, and blended strategies for individuals and institutions in a single strategy separately managed account program. Clients can choose to utilize one of Boyd Watterson's traditional investment options or a customized approach that better fits their needs. Your Equitable Advisors' Financial Professional works with you to determine which of Boyd Watterson's portfolios will help you meet your investment objectives.

Equitable Advisors offers clients access to portfolios managed by Boyd Watterson, a Titanium Asset Management Company (formerly Sovereign Advisers). While Equitable Advisors offers clients the ability to invest directly through Boyd Watterson, Boyd Watterson also provides separately managed accounts through specific investment options in different programs offered through Equitable Advisors, such as Lockwood's Multi-Manager or LPL's Manager Select.

#### Brinker Capital, Inc. ("Brinker Capital")

Equitable Advisors offers clients access to various investment advisory programs offered through Brinker Capital, Destinations Programs, Core Asset Manager, Unified Managed Account, and Retirement Plan Services Program/Retirement Plan Services Plus. Brinker Capital's Destinations program includes mutual funds or ETFs, ETNs and mutual funds. For each of the Brinker programs, the Equitable Advisors Financial Professional works with you to complete the individual client questionnaire, which allows Brinker to determine the appropriate investment strategy recommendations to meet your investment objectives.

#### Morningstar Investment Services, Inc. ("MIS")

Equitable Advisors offers clients access to a variety of investment advisory services available under MIS's Managed Portfolios program including MIS Mutual Fund Portfolios, MIS ETF Portfolios, MIS Direct Indexing Portfolios, and MIS Select Equity and Fixed Income Portfolios. For each of the MIS programs, the Equitable Advisors Financial Professional works with you to complete the individual client questionnaire which allows MIS to determine the appropriate investment strategy recommendations to meet your investment objectives.

Equitable Advisors also offers Morningstar as an investment advisory option to provide assistance in managing assets that retirement plan participants have elected to move into their self-directed brokerage account ("SDBA"). Morningstar maintains strategy specific portfolios and provides investment advice to plan participants based on their client profile, including risk tolerance, investment objectives, time horizon, financial goals, and personal and financial situation.

#### Nationwide Investment Advisors ("NIA")

An overlay management service available for participants in certain Nationwide Resources Trust and Innovator as well as Nationwide Clear Advantage and Flex Advantage qualified retirement plans through NIA's ProAccount program. The Rackmount program offers plan sponsors the opportunity to allow plan participants to elect to use NIA to allocate the assets within their Nationwide qualified plan based upon their investment objectives and risk tolerance. NIA is an affiliate of Nationwide Financial, which offers the Nationwide Resources Trust and Innovator Plans.

Financial Professionals who offer Nationwide qualified plans to their clients have the option of selecting from one of the approved investment advisers pre-selected by Nationwide to provide advisory services to plan participants.

#### PlanMember Securities Corporation ("PSEC")

Equitable Advisors offers clients access to PlanMember Elite, an advisory program offered by PSEC, which as noted below is an affiliate of Equitable Advisors. PSEC constructs a series of asset allocation portfolios with varying risk profiles that are invested in mutual funds. PSEC primarily markets this program to individual retirement plans. A data gathering questionnaire is undertaken to determine the client's financial situation and investment objectives. Services are based on the individual needs of the client. PlanMember Elite has five portfolio models constructed with primarily index funds and another set of five models constructed with both index and active funds. The portfolio model objectives range from conservation of principal and inflation protection to maximum long-term growth.

In addition to Elite, PSEC may also provide advisory services to accounts that are opened through the PlanMember OPTIFUND program. Similar to Elite, this program utilizes the same strategies; however, the

funds used within the models may differ. In addition to the advisory programs, PSEC also offers non-advisory retirement plan accounts, subject to different fees and charges.

#### ProNvest, Inc. (“ProNvest”)

Equitable Advisors offers ProNvest as an investment advisory option to certain 403(b) plan sponsors and participants in Equitable’s EquiVest variable annuity and PlanMember’s OPTIFUND programs. Through this program, plan participants may choose to include ProNvest’s program as an additional feature for their qualified plan. ProNvest is not affiliated with any of the firms that use its money management services and participants are not obligated to choose ProNvest as a money manager for assets within the 403(b)accounts.

#### SEI Investments Management Corporation (“SIMC”)

Equitable Advisors offers clients access to various investment advisory programs offered through SIMC including the Managed Accounts Program, Integrated Managed Account Program and Private Client Mutual Fund Asset Allocation Program. For each of the SIMC’s programs, the Equitable Advisors Financial Professional works with you to complete the individual client questionnaire which allows SIMC to determine the appropriate investment strategy recommendations to meet your investment objectives. Certain proprietary mutual funds may also be available from SIMC outside of an investment advisory program. Different fees and charges may apply to such funds.

Note that SIMC may allow you to use funds from your advisory account offered through SIMC to pay premiums on life and annuity products, including products offered by Equitable Life Insurance Company, an insurance company affiliate of Equitable Advisors, and third-party insurance carriers.

#### The Pacific Financial Group (“TPFG”)

Equitable Advisors offers TPFG as an investment advisory option to provide assistance in managing assets that retirement plan participants have elected to move into their self- directed brokerage account (SDBA). TPFG provides investment advice to plan participants based on risk assessment questionnaires and meetings designed to determine their goals and risk temperament (risk profile). TPFG can, at its sole discretion, waive the minimum amount requirements.

#### Trek Financial, LLC (formerly “BCJ Capital Management”)

Equitable Advisors offers clients access to portfolios managed by Trek Financial, which uses a goal-based investment approach. Your Equitable Advisors’ Financial Professional works with you to determine which of Trek Financials’ portfolios will help you meet your investment objectives. The manager does not have a stated minimum account size.

#### **Program Sponsors Available Only on a “Service Only” Basis**

In addition to the third-party programs listed above, Equitable Advisors allows certain of its Financial Professionals to provide investment advisory services on a “service only” basis to clients with asset management accounts held through certain TAMPs. “Service only” means we are not actively opening new accounts with the TAMP for new clients but maintain certain responsibilities with respect to existing clients’ accounts.

Please refer to the individual TAMP's Form ADV Part 2A, or equivalent brochure, for a full description of their products and services and all related terms, conditions, fees, and expenses. The following are the service-only TAMPs for which Equitable Advisors provides certain continued advisory services (rather than a pure referral) pursuant to its Third-Party Programs advisory agreement.

CLS Investments, LLC ("CLS")

Equitable Advisors offers clients access to a variety of CLS's advisory programs on a service only basis including the CLS Nationwide Qualified Plans, Individualized Account Management Portfolios, AdvisorOne Portfolios, ETF Portfolios and Master Manager Strategy Portfolio. Each of these programs offer advisory services to clients and may include mutual fund investments, separate account management and ETFs. Variable annuities will not be offered, although CLS does use these products in some of their portfolios.

Meeder Advisory Services, Inc. ("Meeder")

The Meeder program offered through Equitable Advisors is designed for plan participants in qualified plans offered through Nationwide Financial and is available for participants in the Nationwide Retirement Resource program. Meeder established the program to manage mutual fund portfolios with the investment disciplines that Meeder has been using with their retirement investors. Meeder has established eight model portfolios for the program designed around different risk profiles and investment objectives. In addition, they have established five target date portfolios that are designed around the anticipated retirement date of the participant.

Signature Investment Advisors, LLC. ("SIA")

The SIA program offered through Equitable Advisors offers investment management services tailored to the unique needs of individuals. SIA offers these services through two types of solutions: (1) The Signature Allocation and Targeted Series and (2) The Signature Elite program. These solutions offer clients investment diversification and preferences across a wide spectrum with minimum investment requirements of \$50,000.

- b. *Additional Asset Management Referral Arrangements*
  - (i) *Referrals Without Ongoing Advisory Services*

Equitable Advisors may also refer investors to the investment advisory and asset management services of various TAMPs under arrangements in which it does not provide any ongoing investment advisory services to the referred party regarding the account after the referral. These TAMPs to which Equitable Advisors continues to refer business (rather than on a "service-only" basis) are Silvercrest Asset Management Group, which acquired certain assets of Jamison Eaton & Wood, Hightower Advisors, LLC, The Colony Group, Raymond James Financial Services, Forefront Analytics – GKFO, UBS Financial Services, Sentinel Pension Advisors, Corient Private Wealth, LLC, SEI Global Institutional Group, Burnham Gibson Wealth

Advisors, LLC,<sup>2</sup> and Shuster Advisory Group, LLC.<sup>3</sup> Equitable Advisors (and its Financial Professional(s)) are compensated for referrals to these TAMPs from a portion of the advisory fee paid by the referred party to the TAMP.

All investment advisory services regarding the client's account will be provided by such TAMPs pursuant to an agreement between the client and the specific TAMP. See the Form ADV Part 2A of the specific TAMP for more information on its investment advisory practices.

(ii) Referrals to Our Affiliate BPWM

Equitable Advisors may refer clients to the investment advisory and asset management services of an Equitable Advisors' affiliate, Bernstein Private Wealth Management ("BPWM"), a unit of AB. Equitable Advisors (and its Financial Professional(s)) are compensated for referrals to BPWM and do not provide any investment advisory services to the client regarding the BPWM account. All investment advisory services regarding the client's BPWM account will be provided by BPWM pursuant to an agreement between the client and BPWM. See the Form ADV Part 2A of BPWM for more information on its investment advisory practices.

(iii) EquiVest Plan Participant Referrals to ProNVest and PlanMember

Equitable Advisors may also refer EquiVest variable annuity plan participants to the investment advisory and asset management services of ProNVest for management of their variable annuity sub-accounts at Equitable. Equitable Advisors (and its Financial Professional(s)) are compensated for referrals to ProNVest and do not provide any investment advisory services to the client regarding the ProNVest account. All investment advisory services regarding the client's ProNVest account will be provided by ProNVest pursuant to an agreement between the client and ProNVest. Equitable Advisors only engages plan participants for referrals, and not the plan sponsors. ProNVest is not an affiliate of Equitable Advisors or Equitable or any of their affiliates. See the Form ADV Part 2A of ProNVest for more information on its investment advisory practices.

Equitable Advisors may also refer participants in the PSEC 403(b)7 programs for advisory and management services of their mutual fund holdings with PSEC, an affiliate of Equitable Advisors.

### 3. LPL Programs

a. LPL Financial Generally

Equitable Advisors offers clients access to various investments advisory programs offered through LPL Financial ("LPL"). Additionally, Equitable Advisors has other relationships with LPL. LPL acts as Equitable Advisors' securities fully disclosed clearing firm for broker-dealer products and services, and also provides back- and middle-office services through a services agreement between the companies.

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<sup>2</sup> Certain Equitable Advisors Financial Professionals are investment adviser representatives and/or owners of Burnham Gibson Wealth Management.

<sup>3</sup> Certain Equitable Advisors Financial Professionals are investment adviser representatives and/or owners of Shuster Advisory Group, LLC.

LPL in certain instances reimburses Equitable Advisors for loans it makes to newly associated Financial Professionals to assist them with the costs relating to transitioning their businesses to Equitable Advisors. These relationships and payments can create a financial incentive to recommend that a client open and maintain an account with Equitable Advisors and LPL for certain advisory services.

As a result, there are potential and actual conflicts of interest associated with the compensation to LPL for services to Equitable, and the division of compensation between the two firms for services to clients (see also Item 14). These conflicts and implications for the client are discussed in greater detail in the relevant LPL Program Brochure. Equitable Advisors addresses these conflicts of interest by disclosing them to you as well as through training, tools, and processes to ensure our Financial Professionals' recommendations are in the client's best interest, and through supervisory oversight designed to ensure that each recommendation meets all regulatory requirements.

In LPL accounts, clients also have the opportunity to utilize the services of Private Trust Company ("**PTC**"). PTC is a wholly owned subsidiary of LPL Financial and is not affiliated with Equitable Advisors. PTC provides a variety of trust services. The option of using PTC is the decision of the client. Equitable Advisors Financial Professionals cannot provide legal or tax advice in conjunction with the trust services available through PTC and clients are encouraged to consult with their legal and tax advisors prior to selecting PTC as their provider for trust services. Equitable Advisors Financial Professionals are not compensated for the use of trust services.

Clients that have selected PTC as their trust provider may choose to invest the trust assets in any of the advisory programs available through LPL Financial. Equitable Advisors Financial Professionals will assist the client in selecting a program appropriate for their investment needs. They will receive compensation for this assistance as discussed further in Item 5.

As a convenience to clients, certain of the LPL advisory programs and brokerage accounts may offer the ability to access funds through ACH instructions, wires, and other transfers. The security of customer accounts is our paramount concern and if at any time such security may be jeopardized by using ACH instructions, wires and other transfers, these features may be terminated by Equitable or LPL. Equitable and LPL each reserve the right to refuse any directive or instruction relating to ACH, wires, or transfers in their sole discretion.

In addition to the programs listed below, LPL provides collateralized lending services through certain federally chartered savings bank(s), on accounts for which LPL serves as the program sponsor. Please be aware this raises conflicts of interest that are discussed in your LPL Program Brochure.

Clients should carefully review the program brochure of all LPL Programs (and TAMPs) before investing.

*b. LPL Programs*

Equitable Advisors offers clients access to various investment advisory programs offered through LPL. These programs are discussed briefly below. The SAM program and certain disclosures regarding MWP (when a Financial Professional is designing the model for his or her clients) are discussed in subsections (c) below.

- Optimum Market Portfolios ("OMP") – a professionally managed mutual fund advisory program using Optimum Funds Class I shares. Your Equitable Advisors Financial Professional works with



you to complete a client questionnaire which allows LPL to determine the asset allocation to meet your investment objectives.

- *Personal Wealth Portfolios (“PWP”)* - is a unified management account in which LPL, with assistance from sub-advisors it has selected, directs, and manages specified client assets on a discretionary basis. Your Equitable Advisors Financial Professional works with you to determine which of the sub-advisors will work with your individual investment objectives.
- *Manager Select* – a separately managed account program where the client, with the assistance of their Financial Professional, will select the managers and develop an asset allocation.
- *Model Wealth Portfolios (“MWP”)* – a unified managed account program that provides clients with access to managed portfolios of securities (which may include mutual funds, ETFs, exchange traded notes or “ETNs” and closed end funds) created and designed by LPL’s in-house research team (“**LPL Research**”), a third-party investment strategist (an “**Outside Strategist**”),<sup>4</sup> or (if available) an Equitable Advisors Financial Professional (referred to as MWP Advisor Sleeve)—or a third-party registered investment adviser of which certain Equitable Advisors Financial Professionals are principals and/or investment adviser representatives<sup>5</sup>—with oversight from the LPL Financial Overlay Portfolio Management Group (the “**LPL Overlay Manager**”). Your Equitable Advisors Financial Professional works with you to determine which of the allocation strategies, called “models,” will work with your individual investment objectives. The Equitable Advisors Financial Professional may recommend that you choose more than one strategist within a single MWP account.

In connection with any of these programs, our Financial Professionals may from time to time retain third party economists, analysts, or consultants to develop model portfolios, provide financial or economic research and data, develop capital markets assumptions, interpret, and analyze economic and financial data sets and trends, develop economic models, or otherwise support the investment advisory services provided by the Financial Professionals under these programs.

c. *Financial Professional as Portfolio Advisor*

Equitable Advisors and its Financial Professionals provide portfolio management and/or strategist services to our clients in the following programs: LPL’s SAM program and LPL’s MWP Advisor Sleeve program. In the SAM program, the Financial Professional recommends a portfolio of securities for the client to invest in, and will do so in the context of MWP Advisor Sleeve.

In all other programs any portfolio management services are provided by the program sponsor and/or its delegate. Equitable Advisors receives a portion of the advisory fee for the services it provides in all such

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<sup>4</sup> Two of the Outside Strategists, AB and Equitable Investment Management (the brand name for Equitable Investment Management Group, LLC which, among other things, serves as the investment adviser to the 1290 Funds, as discussed in Item 10, below) are affiliates of Equitable Advisors. Equitable Investment Management has not met all of the LPL selection and review criteria that LPL applies to other portfolio strategists. See LPL’s MWP Program Brochure for additional information regarding available portfolio strategists.

<sup>5</sup> For example, LPL makes available as an accommodation to Equitable Advisors portfolios created and designed by PST Advisors Inc. (“PST”). PST has not met the LPL selection and review criteria that LPL applies to other portfolio strategists.

programs. This is described in more detail in Item 5 - Fees and Compensation. In certain rare circumstances, we have as an accommodation entered into advisory relationships in which the Financial Professional acts as portfolio manager with respect to assets held on a platform other than LPL.

(1) SAM Program Accounts

(a) *SAM Accounts Generally*

In most cases, portfolio management services for SAM accounts are provided on a non-discretionary basis, which means the client must approve all transactions prior to execution. In some instances, with client written consent, a Financial Professional may provide advisory services for a SAM account on a discretionary basis (see Item 16 – Investment Discretion).

In a SAM account, the client and the Financial Professional can agree that (1) the client pays applicable ticket charges<sup>6</sup> for transactions in the account, or (2) the Financial Professional pays the ticket charges. These ticket charges are not considered brokerage commissions. In SAM accounts, the Financial Professional serves as portfolio adviser on a non-discretionary basis where clients may purchase and sell securities and/or liquidate previously purchased load mutual funds (e.g., equities, fixed income, options, no-load and load waived mutual funds, variable annuities, and ETFs) pursuant to investment objectives chosen by the client. In some cases, the client may provide discretionary authorization to the Financial Professional, provided the Financial Professional is pre-approved by Equitable Advisors to offer discretionary trading. (See Item 16 below.)

Financial Professionals may also recommend structured products in SAM accounts. These structure products typically take the form of bonds called “Structured Notes,” although some structured products are Certificates of Deposit (“CDs”).

Variable annuities available on the SAM platform are proprietary to Equitable Life Insurance Company, an affiliate of Equitable Advisors. Financial Professionals will not receive up front commissions for recommendations of Equitable proprietary variable annuity products in SAM accounts but will receive an ongoing fee commensurate with any SAM investment as described more fully below in “Item 5 – Fees and Compensation.” In addition, the 1290 Funds and AB Funds, each a proprietary mutual fund family, may also be recommended in SAM accounts, as well as in brokerage accounts. Equitable Advisors and its Financial Professionals may receive other compensation and benefits related to recommendations of proprietary products. Accepting this type of compensation presents a conflict of interest in that there is an incentive to recommend investment products based on the compensation received, rather than on a client’s needs. We disclose potential conflicts of interest to clients through documents such as this disclosure document, the prospectus, the LPL Program Brochures, and other materials discussing the products and services offered, as well as in our General Conflicts of Interest Disclosure, which is provided at account opening and is available at <https://equitable.com/CRS>.

The client should consider these additional payments and the potential conflicts of interest they create carefully prior to investing in any securities or through any asset management programs available through Equitable Advisors. The client is encouraged to ask his or her Financial Professional for additional information should he or she have any questions regarding these payments or the potential conflicts of

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<sup>6</sup> Ticket charges are fees charged by the broker-dealer (in this case LPL) for executing trades.

interest they create. Furthermore, clients can refer to the prospectus or Statement of Additional Information for the specific variable annuity or mutual fund for more information regarding the additional compensation the Financial Professional may receive.

The advisory services carried out by the Financial Professionals are completed in their capacity as IARs of Equitable Advisors; however, when recommending variable annuity products, the Financial Professional acts in his or her capacity as an insurance agent of Equitable Network (an affiliate of Equitable Advisors) and/or its affiliates.

(b) *Alternative Investments in SAM Accounts*

Equitable Advisors and select Financial Professionals make available certain alternative investments to advisory clients in SAM. These alternative investments include managed futures, business development companies (“**BDCs**”) and real estate investment trusts (“**REITs**”), which are all considered to be alternative investment products due to their non-traditional composition. See Section 4, below, for a discussion of alternative investments, including those available through SAM accounts.

(2) MWP Advisor Sleeve Program

In MWP Advisor Sleeve, the Financial Professional on a non-discretionary basis recommends a strategist or strategists and model(s) designed by the strategist(s), and LPL implements the models in the client’s account on a discretionary basis. In some cases, the Financial Professional designs models as a strategist in MWP for his/her clients.

Due to the existing arrangements between LPL and Equitable Advisors under which LPL provides clearing, back-office, and middle-office services to Equitable Advisors, LPL offers portfolios created and designed by Equitable Advisors Financial Professionals. When LPL offers such portfolios, the Equitable Advisors Financial Professionals are not subject to the LPL selection and review criteria that LPL applies to other portfolio strategists in MWP. This means that LPL would not subject the Equitable Advisors Financial Professionals to the due diligence and screening criteria it applies to other portfolio strategists. Clients wishing to use an Equitable Advisors Financial Professional as a strategist should bear this in mind and should not think that the availability of their Equitable Advisors’ Financial Professional as a strategist on the LPL platform means that LPL has vetted, assessed, or approved of their abilities, experience, or portfolio management acumen.

It is important that clients speak to their Equitable Advisors Financial Professional serving as a strategist on LPL’s platform to understand the investment strategies and techniques they intend to utilize, the associated risks, and their approach to asset allocation, diversification, risk management, portfolio monitoring, and rebalancing. Clients should also be comfortable with their Equitable Advisors Financial Professional’s experience in managing portfolios, the basis of their research, their buy and sell criteria, and the resources they are able to dedicate to serving as a strategist.

As set forth more fully in the MWP account documentation, clients should be aware of three fees that are charged in connection with the MWP account: the Advisor Fee, the Strategist Fee, and the LPL Program

Fee.<sup>7</sup> These fees are separate from one another and pay for distinct services rendered.<sup>8</sup> When a Financial Professional is acting as a strategist under MWP Advisor Sleeve, the Advisor Fee is for the investment advisory services of Equitable and the Equitable Advisors Financial Professional and may not exceed 2%. The Strategist Fee is a fee for the model portfolio design services of a strategist, and ranges from 0% to 0.25%.<sup>9</sup> The LPL Program Fee is for the investment advisory, administrative, trading, and custodial services of LPL, and ranges from 0.08% to 0.35%.<sup>10</sup>

The Strategist Fee and LPL Program Fee referenced in this paragraph may change from time to time, upon thirty (30) days' prior notice to clients.

#### **4. Alternative Investments**

Alternative investments such as managed futures, BDCs, and REITs may be purchased in SAM accounts, in Equitable Advisors' brokerage accounts, and in certain TAMP or LPL Programs.

Managed futures are products in which professional money managers' direct investments in the global currency, interest rate, equity, metal, energy, and agricultural markets. They do this through the use of futures, forwards, and options.

A BDC is a type of pooled investment company that is registered under Section 54 of the Investment Company Act of 1940, as amended (the "**1940 Act**"), rather than as an open-end or closed-end investment company. A BDC invests primarily in certain qualifying private companies and must satisfy certain asset composition and other thresholds and requirements under the 1940 Act. BDCs facilitate the flow of capital to private companies and provide retail investors with exposure to the private equity and private debt investment markets.

A REIT is a company that owns, and in most cases, operates income-producing real estate, such as apartments, shopping centers, offices, hotels, etc. Some REITs also engage in financing real estate.

These alternative investments sold within an advisory program such as SAM will not incur an up-front sales charge to the client for the sale. Equitable Advisors and its Financial Professional(s) will, however, receive compensation from the advisory fees on the value of all of the assets held within the client's SAM account, including the value of any managed futures products, BDCs, or REITs.

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<sup>7</sup> Where PST is the strategist and the Equitable Advisors Financial Professional assigned to the account is a principal of PST, the Equitable Advisors Financial Professional would receive the Advisor Fee and, indirectly, the Strategist Fee or a portion of that fee. Where the Equitable Advisors Financial Professional assigned to the account is the strategist, the Strategist Fee is 0% as the Advisor Fee is presumed to include compensation for such services. See fn. 5.

<sup>8</sup> Please note that MWP accounts remaining under a legacy fee structure (those accounts opened before January 1, 2016, that have not converted to the new fee structure described above, where the fees are separated) are charged one aggregate Account Fee, which was negotiated between the client and the Equitable Advisors Financial Professional and set out in the MWP account documentation.

<sup>9</sup> Where PST is the strategist and the Equitable Advisors Financial Professional assigned to the account is a principal of PST, the Equitable Advisors Financial Professional would receive the Advisor Fee and, indirectly, the Strategist Fee or a portion of that fee. Where the Equitable Advisors Financial Professional assigned to the account is the strategist, the Strategist Fee is 0% as the Advisor Fee is presumed to include compensation for such services.

<sup>10</sup> The Strategist Fee and LPL Program Fee referenced in this paragraph may change from time to time, upon thirty (30) days' prior notice to clients.

Equitable Advisors also may offer qualified investors access to certain investment companies exempt from registration as investment companies under the 1940 Act, primarily through LPL. These include hedge funds, fund-of-hedge funds, and exchange funds structured as limited partnerships or limited liability companies. Equitable, in its capacity as a registered broker-dealer, and its Financial Professionals, acting as broker-dealer registered representatives, may act as promoters for certain of these funds. Hedge fund and fund of hedge fund interests are not available in the SAM program or any LPL Programs. Please review the Offering Memorandum or Prospectus of the hedge fund or fund of hedge funds for more information, as the terms of each offering may differ, as well as certain fees and charges that may be applicable.

Certain alternative investment products (plus some structured notes and CDs that may also be available in SAM accounts) have a short to intermediate maturity – generally less than five years, although some may go as long as fifteen years. Purchasing a product with a long period until maturity in an advisory account may result in higher compensation to a client’s Financial Professional than if the product is purchased directly or in a brokerage account.

Similarly, non-exchange traded REITs and BDCs are generally illiquid because there is no trading market for the shares. While such non-traded REITs and BDCs may offer repurchase programs, they ordinarily impose significant conditions and restrictions on such programs. The holding periods on non-traded REIT and BDC investments vary and may require holding periods of ten (10) years or more. Therefore, non-exchange traded REITs and BDCs may result in higher compensation to your Financial Professional than products that have a readily available market. Certain non-traded REITs, known as “daily NAV programs”, may offer greater liquidity to investors, generally on a quarterly basis. These are long-term investments, and investors should be aware that liquidity is not guaranteed at any time.

Managed futures products involve significant risks as they are speculative and volatile in nature because they invest in derivative products such as futures and options.

Alternative investments purchased in advisory accounts do not carry a sales commission; however, Equitable Advisors receives a portion of the dealer manager fee that is paid on alternative investment accounts, including assets held within advisory accounts. Furthermore, they are subject to the ongoing asset management fee agreed upon between the client and Equitable Advisors.

Equitable Advisors may make the same, similar, or different alternative investments available for purchase through a Financial Professional in his/her capacity as a broker-dealer registered representative of Equitable Advisors. If such alternative investments are purchased through the broker-dealer channel, different fee structures will apply; for example, Equitable Advisors and its Financial Professionals will receive a sales commission, as described in the investment’s offering memorandum. Equitable Advisors and its Financial Professionals may have a financial incentive to recommend purchasing an investment in one of these structures (advisory or brokerage) over another. Under certain conditions, including length of time that the product is held, a client may pay a higher sales charge in a commission-based product, or may pay more in an advisory account which is subject to an ongoing fee based on assets under management. Other factors may also affect how much a client pays in either an advisory or brokerage structure.

In connection with any alternative investment decision, as with any securities investment decision, a client should consult his or her Financial Professional for more information regarding the different fee and commission structures that may apply depending upon whether the client purchases the investment

product in an investment advisory program or in a broker-dealer account. As part of the analysis, a client should consider and discuss in particular his or her investment time horizon and overall likely costs before making a decision about what type of relationship (i.e., brokerage vs. advisory) is appropriate for the investment. A client should also determine whether it is prudent to consult his or her own legal, tax, and accounting advisors in connection with alternative investments.

“Complex” investment products (e.g., sector funds, structured notes and leveraged ETFs) and alternative investments (e.g., managed futures, non-traded REITs, and BDCs) are generally viewed as difficult for average investors to understand and they typically invest, in whole or in part, in non-traditional (“alternative”) strategies or instruments. These products are often speculative, have high portfolio management fees, carry higher or unique risks (e.g., valuation risk, commodity risk, and lack of liquidity) and require additional investor experience when compared to traditional investments.

Before purchasing a complex or alternative investment, a client should carefully read its offering memoranda or prospectus and supplements and discuss it with his or her Financial Professional and, if the client deems it appropriate, his or her legal and tax advisers.

## **5. Retirement Plan Support and Fiduciary Advice**

### **a. Retirement Plan Investment Advisory Support Services**

Equitable Advisors may enter into agreements with sponsors of retirement plans to provide general retirement plan management education and support services (the “**Retirement Services**”) to the plan sponsor and/or plan participants in exchange for a fee, further information about which is provided in Item 5 – Fees and Compensation. Only appropriately credentialed Financial Professionals are authorized by Equitable Advisors to provide Retirement Services.

The plan sponsor will select the Retirement Services to be provided. The Retirement Services are for general educational purposes only and are intended to help plan sponsors discharge their fiduciary responsibilities to the qualified plan and plan participants. The plan sponsor may also select certain Retirement Services that will provide general education to plan participants to help in their understanding of the terms and provisions of the qualified plan.

Unless otherwise agreed in writing pursuant to an ERISA investment advisory services agreement (see “ERISA Fiduciary Services” below), the Retirement Services will not include any recommendation to any plan sponsor regarding specific investment options to select under a qualified plan or portfolio plan design, nor will the Retirement Services involve providing any recommendation to any plan participant regarding (i) the allocation of their qualified plan account balance, (ii) contributions to investment options under the qualified plan, or (iii) the investment alternatives of their account balances at retirement or separation from services, unless the plan sponsor agrees in writing to allow recommendations to participants regarding their investment alternatives at retirement or separation. Specific Retirement Services selected by the plan sponsor will be described in the written agreement entered into between Equitable Advisors and the plan sponsor. Equitable Advisors and its Financial Professionals may also act as consultants to other investment advisors providing plans with similar non-fiduciary services; in such cases, Equitable Advisors’ client is the other advisor, and not the plan nor any participant.

In certain instances, a Financial Professional providing Retirement Services to plan sponsors may provide reports and/or a sample investment policy statement created with software tools owned and operated



by companies that are not affiliated with or under common ownership, control or operation with Equitable Advisors, its affiliates, or Financial Professionals. Any such reports or investment policy statements are not recommendations regarding any securities transactions, and are provided solely to assist plan sponsors in making informed decisions relative to the management of their qualified plans. It will remain the plan sponsor's responsibility to adopt a specific investment policy statement, if desired, and to select specific investment options for the plan.

Arrangements for Retirement Services may also include the opportunity for participants to receive, at their sole discretion, additional personalized financial services, including, but not limited to, personal financial planning services, investment advisory asset management services, or insurance or brokerage services ("**Optional Services**").

The relationship created between Equitable Advisors and a participant through Optional Services will not include the participant's employer or qualified plan sponsor. Neither the qualified plan nor any qualified plan participant will be obligated at any time to purchase any additional products or services (including Optional Services) through Equitable Advisors or any other party. Further, neither the participant's employer nor any qualified plan is a fiduciary sponsoring Equitable Advisors or its Financial Professional with regard to the provision of Optional Services. The decision to receive Optional Services is solely the decision of the qualified plan participant.

Unless otherwise agreed in writing, Equitable Advisors and its Financial Professional will not act as ERISA fiduciaries with respect to any qualified plan, and any investment materials provided to plan participants will be general in nature and limited to educational information regarding the qualified plan and its available investment options. Such information may include:

- Providing specifics about the qualified plan and its design;
- Providing a list, by asset class, of all available investment choices (such list will not include any specific investment recommendations);
- Providing Morningstar, Ibbotson or other investment profiles for all available investment choices including fund sheets, which include a general description of the investment objectives, identification of the corresponding asset class, the risk characteristics, and the annualized net rates of return;
- Providing general financial and investment information, *e.g.*, educational information and materials regarding general financial and investment concepts;
- Providing general asset allocation models, including information and materials that provide participants with models of asset allocation portfolios of hypothetical individuals with different time horizons and risk profiles;
- Providing interactive investment materials, which may include questionnaires, worksheets, software, and similar material that provide the means for participants to estimate future retirement income needs and assess the impact of different asset allocations; or

- Such other information as may be permitted under the DOL Regulations and guidance pertaining to “investment education” versus “investment advice.”

b. *ERISA Fiduciary Services – Retirement Plan Consulting Services*

It is Equitable Advisors’ policy that, unless approved by Equitable Advisors, no Financial Professional may act as a fiduciary under ERISA Section 3(21) or as a fiduciary discretionary investment manager under ERISA Section 3(38) by providing investment advice to a qualified plan under Section 401(a) of the Internal Revenue Code that is subject to Title I of ERISA, its sponsor, responsible fiduciary, or its participants, or in any way assuming responsibilities for a plan that would make the Financial Professional a fiduciary under either of the foregoing sections of ERISA and the regulations thereunder. Where approved, the nature of such services is described below. No services provided to retirement plan participants are intended to constitute an “employee benefit” under ERISA or any other law or regulation.

In limited circumstances, Equitable Advisors may enter into an agreement with a retirement plan sponsor to provide services as a non-discretionary ERISA fiduciary pursuant to ERISA section 3(21)(A)(ii) (“**ERISA Fiduciary Services**”). Under ERISA section 3(21)(A)(ii), Equitable Advisors will assist a plan’s fiduciary in the initial selection and ongoing monitoring of the investment line-up available to the plan’s participants. Only appropriately credentialed Financial Professionals specifically approved by Equitable Advisors are authorized to provide ERISA Fiduciary Services to plan sponsors. Similarly, Equitable Advisors may enter into an agreement with a plan sponsor to provide discretionary “investment manager” services to the plan under Section 3(38) of ERISA (also making it an ERISA fiduciary). No services may be provided to qualified plan participants in an ERISA fiduciary capacity (i.e., with respect to their assets in the subject plan), although upon written consent of the plan sponsor, recommendations may be made to plan participants regarding their investment alternatives at retirement or separation. A summary of the ERISA Fiduciary Services is provided below. Plan sponsors should refer to their written agreement with Equitable Advisors for more details regarding the specific services to be provided and the fees to be paid.

(1) *ERISA Section 3(21)*

(a) *Non-Discretionary Investment Option Recommendation*

When acting as a fiduciary under Section 3(21) of ERISA, Equitable Advisors will analyze the list of available investment options for the qualified plan and provide the plan sponsor with a recommended list of core asset classes that, when combined, constitute a prudent investment lineup for a qualified plan seeking a basic level of complexity. Equitable Advisors will also provide definitions of additional asset classes/categories that, when combined with core asset classes, will constitute prudent investment lineups for those plan sponsors seeking more sophisticated levels of complexity. Equitable Advisors will identify for the plan sponsor’s consideration one or more investment options from each asset class/category that are appropriate for long-term strategic asset allocations. Equitable Advisors will evaluate the investment options, including comparing their performance to appropriate benchmarks and peer group(s). Equitable Advisors will provide the plan sponsor with a “core list” of recommended investment options within each of the core asset class groups, as well as supplemental asset classes/categories. Equitable Advisors will also provide some general guidelines as to how many and what management type (active or passive) of investment options are appropriate to select with respect to each of the asset class groups to assist the plan sponsor in making its final investment option selections.

*(b) Non-Discretionary Monitoring of Investment Options*

Equitable Advisors reviews investment option performance on a quarterly basis, or as otherwise agreed with the plan sponsor. Each investment option will be reviewed, and investment options that do not meet the criteria will be placed on a watch list. The placement of an investment option on the watch list does not mean that it will be removed from the investment options but, rather, triggers further due diligence on the investment option. The purpose of the due diligence is to determine if the original reasons for selecting the investment option are still valid. Equitable Advisors shall provide the plan sponsor with a report summarizing its review.

Once an investment option is on the watch list, it will remain on there until further due diligence indicates that it should be removed from the watch list or removed as an investment option. To be removed from the watch list, certain qualitative and quantitative measures must be met. If, after further due diligence, Equitable Advisors determines that the investment option no longer meets the criteria for remaining on the core list, Equitable Advisors will, to the extent available on the platform, identify one or more suitable replacements.

(2) ERISA Section 3(38) Discretionary Services

Equitable Advisors may also allow certain credentialed Financial Professionals to act as discretionary “investment managers” to qualified plans under ERISA Section 3(38). These services are only available to qualified plans, not plan participants. Plan sponsors electing 3(38) Investment Manager services delegate to Equitable Advisors and its Financial Professionals the authority to provide the 3(21)(A)(ii) services described above (in subsections a-c) regarding the selection and ongoing monitoring (including removal and replacement) of the specific securities, mutual funds, institutional funds or funds available through the applicable qualified plan platform that will be offered as investment options under the qualified plan, but in a discretionary capacity. The terms and/or availability of this service may be impacted by rulemaking by the DOL and may be terminated or subject to change by Equitable Advisors.

The ERISA Fiduciary Services provided will be based upon the information provided to Equitable Advisors by the plan sponsor, including but not limited to, the investment options available under the qualified plan. Equitable Advisors and its Financial Professionals may utilize the software options or tools as described below to help guide the recommendations to the plan sponsor or discretionary investment decisions, where applicable. The plan sponsor will agree to review at least annually and to advise Equitable Advisors of any changes in the investment options that are available under the qualified plan or to the demographic or other information previously provided to Equitable Advisors regarding the qualified plan. Equitable Advisors and its Financial Professionals may also act as consultants to other investment advisers providing plans with similar fiduciary services; in such cases, Equitable Advisors’ client is the other adviser, and not the plan nor any participant.

Additional services may include assistance (in a non-discretionary or discretionary capacity as elected by the plan sponsor) in creating asset allocation models to be included as options within the plan’s investment menu, creation, or development of target date funds with appropriate glidepath options for the plan and certain other services as may be described within the ERISA Fiduciary Options agreement between the plan sponsor and Financial Professional.

### (3) Additional Provisions

Except as otherwise provided in this Brochure, Equitable Advisors and its Financial Professional will not exercise any discretion or authority regarding the plan sponsor's selection of the qualified plan platform and service provider(s) or of the specific securities, or funds available through a group annuity platform, that will be eligible investment options under the qualified plan. It is the sole responsibility of the plan sponsor or named fiduciary to select and retain the qualified plan platform and service provider(s), to establish and maintain the investment policy for the qualified plan, to determine the appropriate mix and number of asset classes to be included in the investment options available under the qualified plan and to select the specific mutual funds, institutional funds or funds available through group annuity contracts that will be investment options under the qualified plan.

If a qualified plan contains a company stock or self-directed brokerage option, Equitable Advisors shall not be required to take such stock or brokerage options into account with respect to its determinations or recommendations. Plan sponsor shall retain sole fiduciary responsibility with respect to such company stock or self-directed brokerage option.

The ERISA Fiduciary Services provided will be based upon the information provided to Equitable Advisors by the plan sponsor, including but not limited to the investment options available under the qualified plan platform. The plan sponsor will agree to review at least annually and to advise Equitable Advisors of any changes in the investment options that are available under the qualified plan platform or to the demographic or other information previously provided to Equitable Advisors regarding the qualified plan.

In providing the ERISA Fiduciary Services to Plan Sponsors, Equitable Advisors and its Financial Professional may utilize software and other tools operated by the Retirement Plan Advisory Group ("**RPAG**"), Fi360, or Plan Tools. Equitable Advisors, its affiliates and Financial Professionals are not affiliated with or under common ownership, control or operation with RPAG, Fi360, or Plan Tools.

Arrangements for ERISA Fiduciary Services may include the opportunity for participants to receive, at their sole discretion, Optional Services as described above in the section on Corporate Financial Planning. No investment advisory relationship created through Optional Services shall include the participant's employer or plan sponsor. Neither the qualified plan nor any qualified plan participant will be obligated at any time to purchase any additional products or services (including Optional Services) through Equitable Advisors, its affiliates, or other carriers. Further, neither the participant's employer nor any fiduciary that is responsible for making decisions under the qualified plan endorses or is sponsoring Equitable Advisors or its Financial Professional about the provision of Optional Services to participants. The selection of an Equitable Advisors Financial Professional to provide Optional Services is solely the decision of the qualified plan participant.

Equitable Advisors Financial Professionals may perform joint work or receive referrals from other Equitable Advisors Financial Professionals. The Firm's agreements with clients for ERISA fiduciary services do not include these Financial Professionals, who may work separately with individual plan participants, including the provision of advice regarding their investment alternatives at retirement or separation.

This Brochure also constitutes the disclosure required to be provided to plan sponsors under ERISA Section 408(b)(2) and the DOL Regulations issued thereunder. The fee range charged for ERISA Fiduciary Services and other important information relating to the fees for ERISA Fiduciary Services and Optional Services is

provided in Item 5 – Fees and Compensation. Financial Professionals generally receive approximately 40 – 90% of advisory fees received by Equitable Advisors with respect to ERISA Fiduciary Services.

Equitable Advisors and/or its Financial Professionals may reimburse plans or otherwise defray the costs for expenses such as mailings and/or other administrative expenses.

In addition to the services described above, in limited circumstances, certain Equitable Advisors Financial Professionals have entered into joint work arrangements whereby such professionals, acting as investment adviser representatives, but not ERISA fiduciaries, refer plans to other Equitable Advisors Financial Professionals who are credentialed to act as ERISA fiduciaries as part of the Retirement Plan Consulting Services program. In such instances, the ERISA credentialed Financial Professional serves as the primary client contact. The referring Financial Professional receives initial and ongoing compensation for the referral. Please contact your Financial Professional for more details.

In assisting plan sponsors with the selection of plan investment options, Financial Professionals may choose to include certain funds that are affiliated with Equitable Advisors, such as 1290 Funds or AllianceBernstein (AB) Funds, or variable annuity products manufactured and/or distributed by Equitable Advisors or its affiliates. In assisting plan sponsors with selection of plan service providers and platforms, Financial Professionals that are credentialed to act as ERISA fiduciaries may propose a qualified plan platform that is manufactured by an affiliate of Equitable, such as Retirement Gateway, Equitable Retirement 360 (“AR 360”), or Equitable Retirement Vision with recordkeeping and administrative services also provided by Equitable affiliates. In those events, there is an incentive for the Financial Professional to recommend the product issued or service provided by the affiliate even where the Financial Professional does not directly benefit. This conflict is addressed through disclosure here, and by the fact that the Financial Professional does not benefit directly from such recommendations. The Financial Professional and Equitable Advisors intend to comply with the provisions of applicable Prohibited Transaction Exemptions issued by the DOL, and clearly describe the conflicts of interest that are posed by selecting a product affiliated with Equitable Advisors. Plan sponsors should carefully review all disclosures and consider the potential conflicts prior to making the decision to select the applicable program for their plan.

## **F. Assets Under Management**

As of June 30, 2024, Equitable Advisors’ regulatory assets under management were \$32,266,275,228. This calculation only includes assets in SAM accounts and other limited arrangements in accordance with the “regulatory assets under management” definition for the purposes of Form ADV Part 1A, section 5. It does not include any of the assets under management in any of the other programs described above. Of this amount, \$13,367,848,549 was managed by us on a discretionary basis, and \$18,898,426,679 was managed on a non-discretionary basis.

	<b>US Dollar Amount</b>	<b>Number of Accounts</b>
<b>Discretionary</b>	<b>\$13,367,848,549</b>	<b>29,327</b>
<b>Non-Discretionary</b>	<b>\$18,898,426,679</b>	<b>51,708</b>
<b>Total</b>	<b>\$32,266,275,228</b>	<b>81,035</b>

## **Item 5 – Fees and Compensation**

The specific manner in which advisory fees are charged by Equitable Advisors is established in a client's written agreement with Equitable Advisors. The following will describe how Equitable Advisors and our Financial Professional are compensated for the advisory services we provide to our clients.

### **Financial Planning Services**

The amount and timing of the financial planning fee you pay will be determined by you and your Financial Professional and will be indicated on the fee receipt. Your Financial Professional will explain the fee and the factors considered in calculating the fee prior to asking you to sign the Client Agreement. The Agreement is cancelable at any time by you or your Financial Professional for any reason. If you cancel the Agreement by written notice within five (5) business days after the signing of the Agreement, Equitable Advisors will refund all fees paid.

Financial Professionals may also offer fee-based financial planning services under your annual asset-based fee within certain types of managed accounts. In these circumstances the financial planning services shall be ongoing during the duration of your managed account and may involve financial planning advice regarding assets outside of the managed account.

A fixed, hourly or income and asset-based fee is charged for the consultation services provided and specified in the Fee Receipt. The fee may be determined based upon an hourly fee, multiplied by an estimated number of hours. In some cases, the client's assets may also be considered. Typically, the fee is determined and billed when the client executes the agreement, although the client may elect to pay the fee in installments. For new plans, fixed fees charged for these services may range from \$250 to \$25,000. From time-to-time fees may exceed this limit based on particular circumstances. Periodic review plan fees generally range from \$250 to \$12,500. Hourly fees are negotiable and generally range from \$100 to \$400 per hour. Income- and asset- based fees generally range up to 0.5% of net worth plus 1% of adjusted gross income.

Should you decide to purchase products or services offered by your Financial Professional(s) to implement your financial plan, your Financial Professional will be acting in his or her capacity as a broker-dealer registered representative or IAR of Equitable Advisors and/or as an insurance agent of Equitable Network, and you will enter into a separate agreement to cover these other services.

In these capacities, your Financial Professional will be representing the issuing and distributing companies, which may be affiliated with Equitable Advisors, and, in the event of a purchase, the Financial Professional and Equitable Advisors (and/or its affiliates) will generally be entitled to commissions or other compensation in addition to the fee paid by the client for the financial planning services. This presents a conflict of interest inherent in every brokerage relationship in that the Financial Professional and Equitable will benefit every time there is a transaction.

In addition to fees and possible commissions received by Financial Professionals related to fee-based financial plans, Financial Professional(s) under certain circumstances receive other compensation and benefits related to financial planning advice. This presents a conflict of interest in that there is an incentive to enter into a fee-based financial planning arrangement based on the compensation received, rather than on a client's needs. We disclose potential and actual conflicts of interest to clients through



documents such as this disclosure document, our Form CRS, our General Conflicts of Interest Disclosure, and other materials discussing the products and services offered. The client should consider these additional payments and the potential or actual conflicts of interest they create carefully prior to agreeing to a fee-based financial plan offered through Equitable Advisors. The client is encouraged to ask his or her Financial Professional for additional information should he or she have any questions regarding these payments or the conflicts of interest they implicate.

Certain registered representatives who operate under Equitable Advisors home office groups do not receive fees or commissions but rather are compensated by Equitable Advisors on a salary basis. These registered representatives typically receive additional compensation from Equitable Advisors in the form of an annual cash bonus based in part on total products and services sold. This presents a conflict of interest similar to the brokerage conflict described above in that the Financial Professional and Equitable Advisors benefit from increased sales. The fees charged to the client for purchases of these products and/or services are the same as the fees charged for purchases from Equitable Advisors' other financial professionals. Although Equitable Advisors does not maintain a formal recommended list, we leverage LPL Research's recommended mutual fund list. Clients always have the option to purchase investment products that Equitable Advisors recommends through other brokers or agents that are not affiliated with Equitable Advisors.

### **Asset Management Programs and Retirement Plan Services**

For asset management services and Retirement Plan Services, including ERISA fiduciary services, clients pay an annualized fee based on a percentage of their account value. The account fee is customarily negotiable (in whole or in part) but will not exceed 2.5% and is usually payable quarterly in advance. (Fees for Retirement Plan Services and/or ERISA fiduciary services can be AUM-based or fixed, and typically have a maximum of 0.75% with an overriding minimum of \$7,500 and are set forth in the requisite services agreement.) A percentage of the fee is paid to Equitable Advisors, a portion of which is paid to your Financial Professional for investment advisory services rendered and the remainder of which is retained by Equitable Advisors for supervisory and administrative services. The portion that your Financial Professional receives may be higher for certain programs whose overall fee percentages are significantly lower when compared to other programs. Generally, fees are deducted from client accounts.

In some programs, clients are able to elect to be billed their annual advisory fee.

Many investment advisory programs offer additional services in consideration of the program fee including order execution, custody and clearing. An asset-based fee will be assessed on the holdings within the account, including the value of the no-load and load-waived mutual fund holdings. The method of calculating and applying the fee may vary (please consult your client agreement), but typically an annual fee is assessed as a percentage of the assets and applied on a quarterly basis. The Financial Professional and Equitable Advisors usually receive a portion of this fee. The range of fees for all managers is up to the manager's discretion and as noted above is customarily negotiable.

The following fee table details the range of fees paid to Equitable Advisors applicable to the third-party asset management programs described in Item 4 – Advisory Business and range from 0.20% - 2.5% depending on the program. Your overall fee in most cases will be higher. For more information on the third-party asset management programs identified above, please see the Form ADV Part 2A of the program sponsor and the applicable Client Agreement and Fee Disclosure.

**Equitable Advisors Asset Management Program Fee Rate Table**  
(minimum & maximum fees paid to Equitable Advisors)

<b>Product</b>	<b>Min</b>	<b>Max</b>
ACM Model Separate Account Strategies	0.50%	1.95%
ACM Private Account Strategies	0.50%	2.15%
AssetMark GMS	0.50%	1.50%
AssetMark Privately Managed Portfolios	0.50%	1.50%
AssetMark PMAS (IMA)	0.50%	1.50%
AssetMark PMAS (CMA)	0.50%	1.50%
AssetMark PMAS (PRX)	0.50%	1.50%
AssetMark ETF Portfolios	0.50%	1.50%
AssetMark No-Load Mutual Funds – AssetMark Funds	0.50%	1.50%
AssetMark No-Load Mutual Funds – Other Fund Strategies	0.50%	1.50%
AssetMark GPS & GPS Select Solutions	0.50%	1.50%
Trek Financial	0.50%	1.25%
Boyd Watterson	0.20%	0.80%
Brinker Destinations	0.50%	2.25%
Brinker Personal Portfolios	0.50%	2.11%
Brinker Core Asset Manager	0.50%	2.37%
Brinker Retirement Plan Services (including Retirement Plan Services Plus)	0.30%	1.25%
CLS – Nationwide Tactical Strategies	0.20%	0.20%
CLS – IAM Portfolio	0.50%	1.50%
CLS – IAM Hybrid Portfolio	0.50%	1.50%
CLS – ETF Portfolio	0.50%	1.50%
CLS – Advisor One Protection (formerly CPM 3)	0.50%	1.50%
CLS – Master Manager Strategy Portfolio	0.50%	1.50%
CLS – Wealth Accumulation – AdvisorOne Portfolio	0.50%	1.50%
LPL Optimum Market Portfolios Advisory (OMP)	0.50%	2.50%
LPL Strategic Asset Management	0.50%	2.48%
LPL Manager Select	0.50%	2.35%
LPL Model Wealth Portfolios (MWP)	0.50%	2.35%
LPL Personal Wealth Portfolios (PWP)	0.50%	2.35%
Meeder Advisory Services	0.30%	0.45%
MIS Mutual Fund Portfolios	0.50%	1.10%
MIS ETF Portfolios	0.50%	1.10%
MIS Select Equity Portfolios	0.50%	1.10%
MIS SDBA	0.50%	1.10%
Nationwide ProAccount	0.20%	0.45%
PlanMember Elite	0.50%	1.35%
PlanMember OPTIFUND Managed Account Option	0.55%	1.15%
Signature Investment Advisors	0.50%	1.20%
SIMC MAP	0.50%	2.35%
SIMC iMAP	0.50%	2.35%
SIMC MF Asset Allocation	0.50%	1.35%
The Pacific Financial Group	0.50%	1.00%

These fees may be higher than what you would pay in a traditional brokerage account. In investment advisory accounts, neither Equitable nor the Financial Professional gets paid a sales commission. Certain

products within advisory accounts may also be available on the Equitable Advisors brokerage platform; different fee structures would apply for transactions outside of an investment advisory account.

In certain advisory programs, as described in the program brochure, custodial fees and transaction fees are separate from the annual fee and are paid directly to the broker-dealer on the account. In cases where there are mutual funds, ETF's, BDC's, etc. in the clients' accounts, mutual fund expenses are in addition to any annual fee, transaction fees, or custodial fees. Equitable Advisors is generally not compensated from these fees; however, in certain programs (such as SAM) some funds pay 12b-1 fees while others do not. If the mutual fund pays 12b-1 fees in connection with assets in SAM accounts, Equitable Advisors rebates those fees to the client on a quarterly basis. This removes the potential incentive for a Financial Professional to recommend one fund over another.

In general, commissions and other compensation payable to Equitable Advisors in connection with the sale of investment or insurance products and services are comparable to those charged by other full-service firms for the same products and services. In some cases, similar products or services may be available from other sources at a lower fee or commission or without a fee or commission (which may have the effect of lowering the cost to the customer and/or increasing the return on the product). Often, but not always, firms that offer such products and services (which include, among others, discount brokers and direct marketers) do not provide the same level of personalized advice and/or service as Equitable Advisors seeks to provide.

Some Financial Professionals receive compensation from Equitable Advisors in the form of a "forgivable loan," which is a loan often made when an experienced Financial Professional joins Equitable Advisors that is not required to be paid back if the Financial Professional remains with Equitable Advisors for a certain period of time and/or maintains a certain level of business production. (As discussed above in Section 1A, LPL reimburses Equitable Advisors under certain circumstances for a portion of the amounts loaned.) This creates a potential or actual conflict that is addressed through this disclosure and by the fact that the business production requirement is not tied to certain products. As noted above, we disclose potential and actual conflicts of interest as well as additional information through documents such as this disclosure document, our Form CRS, our General Conflicts of Interest Disclosure, and other materials discussing the products and services offered, including but not limited to any third-party program brochures and related materials.

For additional information on other compensation that Equitable Advisors and its Financial Professionals may receive in connection with providing advice to clients, please see Items 10, 11 and 14 of this Brochure. Financial Professionals generally receive approximately 40 – 90% of advisory fees received by Equitable Advisors. In addition, there are transaction costs charged by the broker-dealer for executing trades that may or may not be included in the advisory fee, depending on the program; information relating to such costs are set forth in the account opening documentation relating to each program, and are generally described below in Item 12. Please ask your Financial Professional if you would like additional details regarding the charges associated with any investment or insurance product presented to you by your Financial Professional.

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

Equitable Advisors does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## Item 7 – Types of Clients

Equitable Advisors provides investment advice to individuals, trusts, estates, charitable organizations, banks or thrift institutions, corporations and other business entities, and pension and profit-sharing plans.

Each program has its own minimum account size, but the minimums do not vary based on the type of client. Please refer to the TAMP's Form ADV Part 2A, or equivalent program brochure for details regarding the minimum account size for each program.

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

Investing in securities involves the risk of loss that clients should be prepared to bear. Understanding the type of risk(s) exposure involved in securities and investment advisory services, as well as one's own tolerance for risk is a key component of the investment decision making process. Risks associated with specific investments are described in detail in the prospectus or other product offering documentation for those investments; and more general risks are set forth in the program brochure for each investment program.

Depending on a client's particular situation, need and expectations, there are various methods of analysis and investment strategies that Financial Professionals may use when developing a financial plan, formulating investment advice, or managing assets.

The principal source of information used by Equitable Advisors to prepare financial plans is the information provided by clients, including personal data, assets and liabilities, income expectations, assumed rate of inflation and return on assets, long term and short-term financial goals, risk tolerance and other relevant data. Additionally, to prepare some financial plans, the staff at the Equitable Advisors Financial Planning Team may consult from time to time with other employees (some or all of whom may be employees of Equitable Advisors or its affiliates) having legal, accounting, or actuarial training to help develop or review financial planning advice.

Equitable Advisors' Policy Advisory Committee (the "**PAC**") oversees Equitable Advisors' financial planning policies, such as review of financial planning tools to help ensure the presentation of quality financial planning advice. New asset management programs are reviewed and approved by Equitable Advisors' Product Review Committee ("**PRC**").

With regard to investment advisory services, Equitable Advisors subscribes to various market and investment publications and services directly, or indirectly through LPL. Equitable Advisors also analyzes the prospectuses and offering memoranda of mutual funds, unit investment trusts, direct participation programs, variable annuities, variable life insurance and other life insurance policies in developing and evaluating investment and/or planning recommendations. National conventions, professional meetings, membership in industry organizations such as the International Association for Financial Planning and the

Investment Company Institute also serve to provide Equitable Advisors with continuing access to the practical experiences of others and current developments.

Equitable Advisors and its Financial Professionals also have access to investment research compiled by LPL's in-house research team ("**LPL Research**"). LPL Research provides Equitable Advisors and its Financial Professionals with access to investment research and advice, market and economic commentary, performance reporting and recommendations, and portfolio management tools and services, that cover topics including mutual funds, separate accounts, REITs, ETFs, fixed income, and certain alternative investments.

## **Discussion of Risk**

The primary risk involved in financial planning services stems from the possibility that the financial information and assumptions (such as assumptions regarding future market behavior) used in connection with developing the financial plan are or will prove to be inaccurate. Such inaccuracy could result in the implementation of the plan in a manner such that the client's investment objectives and financial needs are not met. Furthermore, even if the financial plan is itself appropriate, the plan may not be implemented appropriately.

As discussed in Item 4 – Advisory Business, for asset management programs other than SAM and MWP Advisor Sleeve, Equitable Advisors' Financial Professionals do not recommend securities; rather, they work with clients and recommend advisory programs, including TAMPs and LPL Programs.

As with all such programs, investments in the SAM and MWP Advisor Sleeve are subject to market risk, will fluctuate, and may lose value. Asset allocation does not guarantee a profit or protect against loss.

As noted above, additional investment advisory programs are offered through third-party program sponsors that are unaffiliated with Equitable Advisors and LPL Financial. Equitable Advisors serves as an investment adviser in referring clients to these programs, and the third party serves as the principal sponsor and an investment adviser. These programs may clear through or retain broker-dealers other than Equitable Advisors or LPL Financial.

As discussed, investing in securities involves the risk of loss that clients should be prepared to bear. The types of risk vary depending on the type of securities and investment advisory programs in which a client participates and are described in their respective offering documents and program materials.

## **Item 9 – Disciplinary Information**

Equitable Advisors (for purposes of this Item 9, herein referred to as the "**Firm**") is dually registered as an investment adviser and broker-dealer. Following are summaries of regulatory actions involving the Firm during the past ten years. Additional details about the firm or these matters can be obtained through Financial Industry Regulatory Authority's (FINRA) BrokerCheck website: <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck>; or the Securities and Exchange Commission (SEC)'s website for investment adviser information: <http://www.adviserinfo.sec.gov>.

- In an order dated May 2, 2019, FINRA alleged that the Firm distributed documents that did not accurately represent the credit quality of certain bond funds offered within group annuity

contracts for 401K retirement plans. The findings stated that certain enrollment forms, investment options attachments, and other documents that were created by the Firm's affiliated life insurance company and distributed to retirement plan sponsors, inaccurately represented that certain bond funds were investment-grade when, in fact, they were not. FINRA's findings also stated that the Firms' supervisory systems and written supervisory procedures (WSP's) were not reasonably designed to achieve compliance with relevant FINRA rules in that the Firm did not have supervisory systems or WSP's in place related to the accuracy of the description of the credit quality of bond funds that its insurance affiliate distributed to plan sponsors. The Firm, without admitting or denying the findings, consented to an Acceptance, Waiver and Consent and was censured, fined \$600,000, and required to send corrected disclosures to all affected plan participants and pay restitution to plan participants in an amount totaling \$172,461.33. In an order dated March 11, 2019, the SEC charged the Firm with willful violations of Sections 206(2) and 207 of the Investment Advisers Act of 1940 ("Advisers Act"), alleging that from January 1, 2014 through August 8, 2014, the Firm at times purchased, recommended or held for advisory clients mutual fund share classes that charged 12b-1 fees instead of lower-cost share classes of the same funds for which the clients were eligible, and failed to adequately disclose the conflicts of interest inherent in such recommendations. Without admitting or denying the findings, the Firm consented to the imposition of a cease-and-desist order, censure, undertakings and payment of disgorgement and prejudgment interest to affected clients in the amount of approximately \$1,134,152. The SEC noted the Firm's self-reporting of this matter in connection with the Share Class Selection Disclosure Initiative and the Firm's certification of completion of substantially all of the undertakings. The SEC did not impose a civil monetary penalty.

## Item 10 – Other Financial Industry Activities and Affiliations

The principal business of Equitable Advisors is acting as an investment adviser as described in this Brochure, and as a broker-dealer to offer investment products and services (including variable insurance products) to its clients through its registered representatives. In its capacity as a broker-dealer, Equitable Advisors distributes mutual funds, unit investment trusts, and variable life insurance and annuities, and offers brokerage and other services for general securities. For additional information regarding our brokerage business, please see our (Form CRS) and General Conflicts of Interest Disclosure, available through your Financial Professional or on our disclosure website at <https://equitable.com/CRS>. For execution and clearing of certain brokerage transactions, Equitable Advisors maintains a clearing arrangement with LPL. Advisory associated persons may also be licensed in other areas such as insurance (life, health, casualty, long-term care, annuities, variable life, etc.) and/or securities. Equitable Advisors' investment advisory associated persons usually offer variable and traditional life insurance and annuity products of Equitable, Equitable Life and Annuity Company, and numerous other life insurance companies, and are licensed insurance agents associated with Equitable Network, an insurance agency affiliate of Equitable Advisors.

Should you decide to purchase products offered by your Financial Professional(s) to implement your financial plan, your Financial Professional will generally be acting in his or her capacity as a broker-dealer registered representative of Equitable Advisors and/or as an insurance agent of Equitable Network. (You will continue as an investment advisory client of Equitable Advisors if you decide to participate in an asset management program for which Equitable Advisors is an adviser.) Investment and other product recommendations made by Equitable Advisors Financial Professional in his or her capacity as a broker-dealer registered representative generally are limited to securities and other investment and insurance



products and services made available by Equitable Advisors, Equitable Financial, and Equitable Network. Equitable Network is an insurance brokerage general agency (and Equitable Advisors' affiliate) through which Financial Professionals can access insurance products from other companies. Please refer to Item 4 – Advisory Business above for a discussion of the compensation and conflict of interest implications of these various relationships.

Several related persons of Equitable Advisors are also registered investment advisers. For information regarding their investment advisory business, please refer (where applicable) to each Form ADV on file with the SEC as follows:

- AB CarVal Investors L.P., File No. 801-71932;
- AB Custom Alternative Solutions LLC, File No. 801-60159;
- AllianceBernstein L.P., File No. 801-32361;
- AllianceBernstein Corporation, File No. 801-39910;
- Alliance Corporate Finance Group Incorporated, File No. 801-43569
- AllianceBernstein Holding L.P., File No. 801-32361;
- AB Private Credit Investors LLC, File No. 801-80389;
- Sanford C. Bernstein & Co., LLC, File No. 801-57937;
- Equitable Investment Management Group, LLC, File No. 801-72220;
- PlanMember Securities Corporation, File No. 801 – 39177;
- PlanMember Asset Management Corporation, File No. 801-111678;
- AB Broadly Syndicated Loan Manager LLC, File No. 801-119242; and
- Bernstein Institutional Services, LLC, File No. 801-129468.

Equitable Investment Management Group, LLC (“EIM”, also known as “**1290 Asset Managers**” and the brand name “Equitable Investment Management”) is the adviser to certain proprietary mutual funds known as the 1290 Funds and, as noted in Item 4 above, is available as a Strategist in the MWP program. The 1290 Funds are registered with the SEC and offered by prospectus. Equitable Advisors may recommend the 1290 Funds within certain advisory products (such as SAM accounts) as well as through its brokerage platform. Different price structures apply depending upon how the funds are purchased and which class is selected. Additionally, Equitable Advisors has entered into written agreements with investment advisers who are not affiliated with Equitable Advisors, but which are owned and/or operated by Equitable Advisors Financial Professionals; those individuals, and other Equitable Advisors Financial Professionals under certain circumstances, are permitted to refer prospective investment advisory clients for the outside investment adviser. For more information, see Item 14 (“Client Referrals”) below.

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

### **Code of Ethics**

Equitable Advisors maintains a Code of Ethics and written compliance policies and procedures that apply, among others, to all of our Financial Professionals. The Code of Ethics and other policies and procedures were written to assist Financial Professionals with proper activities designed to satisfy their fiduciary responsibilities and avoid conflicts of interest with Equitable Advisors' clients and other practices that may be inappropriate, illegal, or improper. They also regulate the personal securities trading activities of those

individuals we have deemed to be “access persons” (generally, our Financial Professionals who make specific securities recommendations to our clients or others who are privy to client trading information prior to execution). A copy of the Code of Ethics is available for your review at <http://equitable.com/crs>. Alternatively, you can request a copy of the Code of Ethics from your Financial Professional.

### **Participation or Interest in Client Transactions and Personal Trading**

Except as otherwise described above in Item 4 – Advisory Business, Equitable Advisors and our Financial Professionals do not recommend specific securities to clients in connection with our investment advisory services; rather, the specific securities are selected by the third-party program sponsor that the client has chosen, with the help of his or her Financial Professional, with which to invest. The client should refer to the program sponsor’s investment advisory or program disclosure document for more information on the program sponsor’s code of ethics and relevant policies and procedures.

For the SAM program described above, the Financial Professional may recommend specific securities to clients, including funds managed by AB and/or EIM, affiliates of Equitable Advisors. However, Financial Professionals may not recommend the purchase or sale of any individual securities of EQH, Inc., or that of any Equitable affiliate entity, including AB. The definition of “individual securities” for the above referenced purposes includes all stock, fixed income, and derivative instruments, including, without limitation, ADRs, bonds, and notes.

In SAM accounts, Financial Professionals may recommend the purchase or sale of mutual funds in the 1290 family of funds or AB Funds. An affiliate of Equitable Advisors, 1290 Asset Managers, is the investment adviser to the 1290 funds and receives a management fee for its advisory services to the funds. This affiliate benefits financially when more assets are invested in the 1290 funds. Alliance Bernstein, L.P. is the investment adviser to the AB Funds and is also an affiliate of Equitable Advisors. Alliance Bernstein, L.P. also benefits financially as additional assets are invested in the AB Funds. Because your Financial Professional is an associate of Equitable Advisors, he or she has an indirect incentive to recommend a 1290 fund or AB Funds over another mutual fund family. This conflict of interest may affect the ability of your Financial Professional to provide clients with unbiased, objective investment advice concerning the selection of mutual funds for the account. Note, however, that Equitable Advisors does not compensate your Financial Professional in a manner that is based on his or her recommendations of the 1290 funds or AB funds; your advisory fee is not determined based on assets in the 1290 funds or AB funds, and Equitable Advisors does not compensate your Financial Professional based on the recommendation of a particular mutual fund of the same class over another.

In addition, the Financial Professionals’ ability in the SAM program to recommend specific securities may result in situations where (i) a Financial Professional invests in the same securities that are recommended to clients; or (ii) a Financial Professional buy or sells securities for the Financial Professional’s own account at or about the same time as such securities are recommended to a client. Conflicts of interest could arise in such instances, including the possibility that the Financial Professional could “front run,” or trade for the Financial Professional’s personal account ahead of a client, or otherwise attempt through client recommendations to influence the price of a security the Financial Professional is invested in or contemplating buying or selling for the Financial Professional’s own account.

We address conflicts of interest in a number of ways, including primarily by disclosing them to you. As noted above, our Code of Ethics regulates the personal securities trading activities of our Financial Professionals that we have deemed to be access persons. Our Code of Ethics requires our access persons

to direct their personal securities brokers to provide us with duplicate copies of confirmations for all of their personal securities transactions (focusing on personal trading activities relating to “reportable securities,” which the SEC has defined to exclude shares in mutual funds that are not affiliated with us), and copies of their periodic statements.

These reports are utilized by our Personal Brokerage Accounts Group to compare a Financial Professional’s personal trading to trading in client accounts.

We will take appropriate action to remedy any circumstance in which such trading may impact the client, including by reversing the trades so that the client receives the more favorable price.

Our Code of Ethics also prohibits access persons from acquiring for their own account securities in any Initial Public Offering (“**IPO**”) and to obtain specific written approval prior to acquiring for their own account any securities in a limited offering (e.g., a private placement of securities). These prohibitions are intended to help address potential and actual conflicts of interest that could arise relating to allocation of IPO and other limited offerings of securities to our clients.

We also address potential conflicts of interest by not allowing Financial Professionals who have been approved to have discretionary trading authority over their clients’ SAM accounts to maintain their own personal brokerage accounts at an outside broker-dealer.

## **Item 12 – Brokerage Practices**

Equitable Advisors does not select or recommend broker-dealers for client transactions in the third-party asset management programs that we offer and does not itself perform brokerage services in connection with such programs. In certain programs, the client does not have a choice of broker-dealer while other programs may permit such choice. We do not utilize any soft dollar arrangements, use client brokerage commissions to obtain research or other products or services, or permit a client to direct brokerage through a specified broker-dealer (unless provided as an option by an asset management program). For more information regarding the selection of broker-dealers for client transactions, custody, and best execution, please refer to the respective program sponsor’s Form ADV Part 2A and/or account agreement.

In programs where Equitable Advisors Financial Professionals are placing securities orders on client’s behalf (i.e., SAM), the Financial Professionals may aggregate orders and allocate the price among all clients, so that all clients may receive improved pricing. This will generally be done only for discretionary accounts, as Equitable Advisors does not permit its Financial Professionals to exercise time and price discretion, and thus are unable to hold client- approved transactions in non-discretionary accounts from the market. The Financial Professional(s) may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If Equitable Advisors and its Financial Professionals do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money. LPL is also an investment adviser in the SAM program, and is the broker-dealer for those accounts, but it generally does not aggregate orders unless instructed to by Equitable Advisors.

## Item 13 – Review of Accounts

Financial Planning: Our financial planning services generally address the client’s financial situation at the time the plan is prepared and terminate upon delivery of the plan. Thus, we do not typically initiate any periodic or other reviews of financial plans we deliver to clients except insofar as such clients are receiving investment advice related to their financial plan pursuant to an asset-based fee advisory account. However, clients are encouraged to review and update their plans periodically to take account of changes to their financial circumstances or goals or market conditions. Although not obligated to do so, clients may engage Equitable Advisors to assist in reviewing and updating a financial plan, in which case the client will enter into a new agreement with Equitable Advisors and pay a fee for the services. The review may follow the same general format as the original plan or may focus only on specific issues of concern to the client. The review and fees charged will follow the same guidelines and procedures described throughout this Brochure for our financial planning activities.

Asset Management Programs: TAMP accounts and LPL Program accounts (including SAM and MWP), described in Item 4 – Advisory Business, are generally subject to an annual review, with the exception of (a) circumstances where the Equitable Advisors Financial Professional makes a “pure” referral and does not subsequently continue the client relationship by providing ongoing advisory services, and (b) accounts held at certain sponsors such as Nationwide, where Equitable Advisors has been instructed by the program sponsor that they have an alternative method of completing an annual review. The review is conducted by the client’s Financial Professional, who will meet with the client annually to discuss any updates to the client’s personal or financial information and/or investment needs that may affect their risk tolerance, time horizon and/or investment objectives.

From time to time, certain advisory account balances may decline below the stated minimum for that program. Consistent with our fiduciary duty to our clients, we will periodically review those accounts to determine if it is appropriate to continue within the advisory program. The review will determine the cause of the decline and will inform next steps, which would include confirming that the account and program is still suitable for the client(s).

### **Regular Reports**

Financial Planning: Aside from the written report or “plan” that is generally provided to the client, no additional regular reports are typically provided to financial planning clients.

ERISA Fiduciary Services: In addition to the initial proposal, or “plan” that is provided to qualified plan sponsors, periodic reports will be provided to the qualified plan sponsor. These reports will provide updated information on the investment options within the plan, to aid the qualified plan sponsor in monitoring the selected options.

Investment Advisory Programs: Most of the investment advisory programs we make available to our clients provide, at a minimum, quarterly reports to the client. However, since the vast majority of the programs are sponsored by third party investment advisers, the reports will be produced and delivered by the program sponsor. Clients should review the program sponsor’s response to this Item 13 – Review of Accounts in the sponsor’s Form ADV Part 2A for details regarding such reports.

## **Important Note Regarding Consolidated and Performance Reports, and Proposal Tools:**

Our Financial Professionals may provide clients with consolidated financial and/or performance reports, as well as investment proposals created using tools owned and operated by third parties, including Investigo, a division of Broadridge, eMoney Advisors, LLC, AssetMap, PlanLab, and ClientWorks (provided by LPL). These reports are provided for information purposes only and as a courtesy to the client. Accuracy of the information contained in a consolidated or performance report is not guaranteed. Clients are encouraged to review and maintain official account statements (“source documents”) provided by their account custodian. Source documents may contain notices, disclosures and other important information and may also serve as a reference should questions arise regarding the accuracy of a consolidated or performance report. Differences in reporting times for various assets (including those held away) may result in differences between an Equitable Advisors report and a source document. Clients should compare source documents to any reports received and contact their Financial Professional immediately if discrepancies occur. In addition, clients should carefully read the disclosures included on any report or proposal they receive, particularly where the report or proposal contains hypothetical performance information regarding past or future investment performance. For more information regarding proposal tools and the use of hypothetical performance information, see the “Proposal Tool Disclosure” posted on our Disclosure Website (<https://equitable.com/CRS>).

An Equitable Advisors report may, with the client’s authorization, include assets that we do not hold on a client’s behalf (“held away” assets) and which are not included on our books and records. In most instances, held away assets may be non-verifiable by us and may not be covered by SIPC. These reports may also include assets that are difficult to value accurately, such as closely held business or partnership interests or collectibles, and which may also be held away. We have no obligations with respect to these assets and no independent effort has been made to validate their values.

Nothing in a report should be construed as evidencing any opinion or guarantee of the accuracy or reasonableness of any such values.

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

### **Client Referrals**

From time to time, we enter into promoters’ agreements (also called “referral agreements” or “solicitor’s agreements”) with third parties through which those parties provide us with client referrals in exchange for a fee. Such advisory referral arrangements are conducted pursuant to the Advisers Act, including the SEC Marketing Rule, and applicable state laws. Referred clients will receive a disclosure document that will describe the compensation we pay to the referring party and the relationship (if any) between the third party and us. Often, an Equitable Advisors’ registered representative will be associated with the third party that provides the referral through an outside business activity.

Equitable Advisors has entered into referral agreements with related persons (who typically are registered representatives of Equitable Advisors) as well as unrelated persons and entities. These relationships involve: (1) referrals of investment advisory business to Equitable Advisors, and (2) referrals to other investment advisory businesses, including those maintained by Equitable Advisors’ registered representatives and, in certain rare instances, dually registered IARs of Equitable Advisors and the investment advisory business to which the referral is made. Such investment advisory firms maintained

by Equitable Advisors' Financial Professionals are not affiliated with Equitable Advisors, but, rather, are maintained by our Financial Professionals as an outside business activity.

Equitable Advisors may also enter into referral agreements with unaffiliated third parties who will act as promoters (a "promoter" or "endorser" or "solicitor") for Equitable Advisors' advisory services. In each of these circumstances, in exchange for the referral fee (a percentage of the overall fee on an ongoing basis or a one-time payment), these related persons or unaffiliated third parties refer clients for advisory services or programs offered by Equitable Advisors. In these cases, the referring person has an incentive to refer clients to Equitable Advisors because of the referral fee received, rather than based exclusively on the needs of the client.

These referral arrangements are structured to comply with the SEC Marketing Rule. If a client is referred to Equitable Advisors for investment advisory services, the person or entity referring the client will provide the client with a disclosure statement for his or her signature. Likewise, if Equitable Advisors is referring a person to another investment adviser for investment advisory services, the Financial Professional will provide such referred person with a disclosure statement for signature. If a referred person receives such a disclosure statement, then the referral is for investment advisory services. However, this disclosure does not obligate a referred person in any way; such person may choose, entirely at his or her option, whether to become an investment advisory client or not of Equitable Advisors or another investment adviser, and may choose his or her individual Financial Professional. Such a referred person may also choose different services and products available through Equitable Advisors that are not investment advisory in nature, such as life insurance or securities products.

Only Equitable Advisors, and not an individual Financial Professional, may enter into a referral agreement to either obtain or provide referrals for investment advisory services. Equitable Advisors' Financial Professionals may enter into arrangements to receive certain information on prospective insurance or securities clients. Such arrangements to obtain referrals of prospective insurance or securities clients are generally permitted by Equitable Advisors provided that the compensation paid is a nominal amount, the referral is not specific to any type of product or service, and the arrangement is not conditioned upon the opening of any type of account or the purchase or sale of any type of product. These arrangements are intended to be product-neutral and are not referral or commission-sharing arrangements; there is no restriction on the types of products or services one may choose when deciding to become a client of Equitable Advisors.

Certain registered representatives of Equitable Advisors may also refer broker-dealer business to qualified Financial Professionals and receive referral fees. Certain Equitable Advisors Financial Professionals may act as promoters or co-advisers to other investment advisers and receive fees in that capacity.

### **Additional Payments from Investment Product Providers**

In the case of a variable product, mutual fund or 529 plans, we urge you to carefully read the applicable prospectus/offering statement, which provides details on the product features and any charges or costs associated with the product. Equitable Advisors provides enhanced marketing and support opportunities to certain fund families (including affiliated fund families such as AB and 1290 Funds) and in return such fund families pay financial support to Equitable Advisors that is in addition to any commissions Equitable Advisors and its Financial Professionals receive for the sale of such funds while acting as a Broker Dealer.



Financial support payments received by Equitable Advisors from mutual funds will generally be structured as: (i) an annualized percentage of assets placed by Equitable Advisors into the fund (generally ranging from 1 basis point (“bp” or “bps”) (0.01%) through 5 bps (0.05%)), subject to an alternative annual minimum payment generally ranging from \$10,000 through \$250,000; and/or (ii) an annual flat fee payment (up to \$2 million) irrespective of assets placed by Equitable Advisors into the fund. Financial support payments are generally not assessed with respect to assets held in mutual funds through qualified retirement or other accounts or plans subject to ERISA.

To view a list of fund families that provide Equitable Advisors with additional financial support compensation, please refer to Equitable Advisors’ Third Party Compensation and Conflicts of Interest Disclosure, as well as its Principles of Investing brochure, which are available from Equitable Advisors’ Financial Professionals and on our disclosure website at <https://equitable.com/CRS>.

Equitable Advisors also receives financial support payments for assets placed by Equitable Advisors in certain alternative investments, including REITs, BDCs, and oil and gas programs. Financial support payments in connection with these securities are intended to compensate Equitable Advisors for certain marketing and other services. Financial support payments from each company generally range from 100 bps (1.0%) to 150 bps (1.5%) based upon total sales of the alternative investment offering sold by Equitable Advisors. Financial support payments are made to Equitable Advisors from the broker-dealer managing the sales syndicate.

Equitable Advisors also receives financial support payments from sponsors of asset management programs in addition to its advisory fees under such programs. Equitable Advisors currently receives financial support payments from the following program sponsors: ACM, AssetMark, Brinker, Colony Group, PlanMember, SIMC, Boyd Watterson, and Morningstar. Financial support payments from each program sponsor generally range from 1 bp (0.01%) to 10 bps (0.10%) of client assets and may be subject to a minimum payment amount. Certain programs make payments based upon annual assets in the program or a combination of sales and assets under management. Alternatively, some program providers pay a flat fee. Financial support payments are paid by the program sponsor, not the client.

Equitable Advisors retains portions of financial support payments for any valid corporate purpose, and these amounts may contribute to the overall profits of Equitable Advisors. Financial support payments are generally not assessed with respect to assets held in asset management programs through qualified retirement or other accounts or plans subject to ERISA. The financial support payments (if any) are disclosed more fully in the Client Agreement, fee disclosure, and/or Equitable Advisors’ Principles of Investing brochure, that are provided to clients, as well as the Third-Party Compensation and Conflicts of Interest Disclosure, which as noted above is available on our disclosure website and may also be obtained from any Financial Professional.

Equitable Advisors also receives financial support payments from certain mutual fund companies for assets placed by Equitable Advisors in the funds through asset management programs. Currently, such asset management programs offered by Equitable Advisors are LPL’s SAM and MWP Advisor Sleeve programs. Equitable Advisors also receives financial support payments from certain money market mutual fund companies used in connection with cash sweep vehicles, and, in addition, LPL shares income it receives from the cash sweep program with Equitable Advisors. Additional information regarding cash sweep payments in connection with these programs is also available in the LPL Program Brochure for each program.

The financial support payments described above will not result in a higher payment to a client's Financial Professional. However, the additional payments will contribute to Equitable Advisors' profits and may indirectly benefit the Financial Professional insofar as the payments are used by Equitable Advisors to support costs related to marketing or training.

Equitable Advisors and its Financial Professionals recommending LPL Programs to the client receive compensation as a result of the client's participation in the program. This compensation includes a portion of the Account Fee and also may include other compensation, such as bonuses, awards or other things of value offered by LPL to Equitable Advisors or by LPL or Equitable Advisors to the Financial Professional. For example, LPL under certain circumstances provides reimbursement of fees that Equitable Advisors or its Financial Professionals pay to LPL for administrative services. In particular, pursuant to the agreement between LPL and Equitable Advisors, LPL pays Equitable Advisors an amount, in addition to a percentage of Client's Account Fee, based on the current market value of all client assets that Equitable Advisors maintains in LPL advisory programs. This amount is paid from the portion of the fee retained by LPL, and payment of this amount does not result in any higher or additional client fees. Therefore, this additional portion of the fee provides Equitable Advisors a greater financial benefit if more client assets are invested in LPL advisory programs. The amount of compensation that Equitable Advisors receives from LPL is generally more than what Equitable Advisors and its Financial Professionals would receive if the client participated in programs of other investment advisers or paid separately for investment advice, brokerage, and other client services. Therefore, Equitable Advisors and its Financial Professionals at times have a financial incentive to recommend an LPL Program account over other available programs and services.

Equitable Advisors receives an advisory reallowance fee from LPL based on a percentage of average advisory assets under management custodied at LPL in advisory programs for which LPL is a sponsor. Equitable Advisors provides a fee to certain Equitable Advisors Financial Professionals based on a percentage of their total business production. Equitable Advisors and/or its Financial Professionals receive 12b-1 fees, other transaction charges and service fees, IRA and Qualified Retirement Plan fees, administrative servicing fees for trusts, other charges required by law, and marketing support from certain mutual funds held in investment advisory accounts. However, 12b-1 fees are returned to the client except in certain circumstances relating to the cash sweep program. Please see your LPL Program Brochure for additional information about the cash sweep program.

In addition, in certain instances Equitable Advisors or its Financial Professional receives a "finder's fee" from a mutual fund company for placing a client's assets into the fund for broker-dealer activity. A finder's fee is generally triggered by an asset placement equal to or in excess of \$1 million, and generally ranges from 25 bps (0.25%) to 100 bps (1.00%) and will be disclosed in the prospectus or Statement of Additional Information ("SAI") of the mutual fund.

Equitable Advisors and its Financial Professional receive non-cash compensation from certain investment advisory asset management program sponsors. Such compensation may include such items as gifts of nominal value, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives. Such sponsors also pay for education or training events that are attended by Financial Professionals and Equitable Advisors' employees.

Financial Professionals and their managers receive higher levels of cash compensation or other incentives for recommending products issued by Equitable Advisors and/or its affiliates ("proprietary products") rather than products issued by third parties. Among other things, they qualify for certain benefits, such as

health and retirement benefits, based solely on purchases of these proprietary products. Equitable Advisors receives compensation from an affiliate, Equitable Distributors, LLC, attributable in part to the benefits payments in connection with recommendations of Equitable variable products in SAM accounts.

In addition to commissions or advisory fees, Financial Professionals and their managers at times receive other compensation related to purchases of proprietary products resulting from their recommendations. For example, they may receive, among other things, Equitable stock options and/or stock appreciation rights, allowances and other assistance with marketing and related activities, training and education, trips, prizes, entertainment, awards and other merchandise.

Accepting compensation in connection with the sale of securities or other investment products, including financial support payments and asset-based sales charges or service fees from the sale of mutual funds, presents a conflict of interest in that there is an incentive to recommend investment products based on the compensation received, rather than on a client's needs. We disclose potential conflicts of interest to clients through documents such as this disclosure document, the prospectus, the LPL Program Brochures, and other materials discussing the products and services offered. The client should consider these additional payments and the potential conflicts of interest they create carefully prior to investing in any securities or asset management programs offered through Equitable Advisors. The client is encouraged to ask his or her Financial Professional for additional information should he or she have any questions regarding these payments or the potential conflicts of interest they create.

Equitable Advisors Financial Professionals also receive additional compensation pursuant to third party loyalty programs maintained by certain advisory program providers. These loyalty programs offer additional levels of service, support and rewards, and possibly cash payments, to Equitable Advisors Financial Professionals as client assets in these programs increase, which creates a conflict of interest. Not all advisory programs provide such benefits to Financial Professionals (currently, only SEI), and not all Equitable Advisors Financial Professionals may qualify to receive such benefits. Therefore, Equitable Advisors Financial Professionals who receive such benefits in connection with one or more of these programs have a financial incentive to recommend the programs over other programs that may be otherwise appropriate for the client. The conflict is addressed through this disclosure and otherwise as discussed herein in connection with each program, and/or in the relevant Program Brochure.

### **SEI Advisor Benefits Program**

Equitable Advisors' Financial Professionals who have placed a total of \$50 million or greater in client assets into SEI's programs will qualify to receive certain business expense reimbursements by SEI. The amount of such reimbursement is based on the Financial Professional's assets under management with SEI and ranges from \$1,000 to \$10,000 annually.

The Advisor Benefits Program provides for the reimbursement of qualified client/prospecting events and marketing expenses. Reimbursement is limited to actual expenses incurred by the financial professional and supported by invoice from vendor submitted to SEI. Equitable Advisors will not retain any portion of payments received by a Financial Professional pursuant to SEI's Advisor Benefits Program. Clients considering an SEI program should consider the actual or potential receipt by an Equitable Advisors' Financial Professional of Advisor Benefits Program payments, which results or would result in a conflict of interest. Clients are encouraged to speak with their Financial Professional(s) if they have any questions regarding the Advisor Benefits Program.

## Item 15 – Custody

As a general policy and practice, we do not have or accept custody over client assets. For the asset management programs we offer, the custodian of the client's investment assets will be agreed to by the client and the third-party program sponsor in the account agreement or other account opening documentation. There are currently two exceptions to the above general policy:

**Proprietary Fee-Based Variable Annuities.** Clients have the ability to purchase two Equitable proprietary variable annuity products via the SAM platform: Structured Capital Strategies – ADV, and Investment Edge – ADV. While Equitable Advisors does not directly maintain the client assets, its affiliate, Equitable Financial, maintains the assets and as a result Equitable Advisors is considered to have custody over the assets.

In connection with these annuity investments, clients should receive at least quarterly statements from the qualified custodian that maintains the client's investment assets. For tax and other purposes, the custodial statements are the official records of the client's account and assets. We may provide additional statements or reports to you regarding your account, including consolidated or performance reports. Any additional statements provided by us are provided for informational purposes only. We urge you to carefully compare the official custodial statements you receive to any statements we provide. Comparing statements may allow you to determine if the account transactions, including deductions to pay advisory fees, are accurate. Please report any discrepancies you identify to your Financial Professional.

Please see our response to Item 13 – Review of Accounts above for more information on the consolidated or performance reports we may provide.

Clients in all other asset management programs should refer to Item 15 - Custody in the program sponsor's Form ADV Part 2A for more information on the sponsor's custodial practices, including information regarding the frequency of statements the account custodian will provide.

## Item 16 – Investment Discretion

Discretionary accounts are those in which the client grants an investment adviser authorization to trade securities without obtaining specific client consent for each transaction. We accept discretionary authority to manage securities accounts on behalf of clients who have a need for such discretion. As described in Item 4 – Advisory Business, we offer clients a range of advisory programs sponsored by third party investment advisers. Many of these programs involve a discretionary asset manager or managers (not Equitable Advisors) determining the investments to be purchased and sold for the client's account, as set forth in the applicable investment advisory or program disclosure document of the program sponsor.

Subject to certain requirements, our Financial Professionals are permitted to have discretion to buy and sell securities on behalf of select clients in LPL's SAM accounts. In order to authorize discretionary authority over a SAM account, a client must sign a Discretion Authorization form providing the Financial Professional and Equitable Advisors with the authorization to place equity, fixed income, and mutual fund trades on their behalf without seeking client preapproval. A Financial Professional may not transact in certain securities on a discretionary basis even in the case of a SAM account for which the client has authorized discretionary trading. By way of example and not limitation, a Financial Professional with

discretionary authority cannot use that discretion to purchase an annuity within a discretionary SAM account; such an investment requires that the client complete and execute paperwork in order to authorize and effectuate the transaction.

Financial Professionals will qualify to manage discretionary accounts based upon experience and training, including training to become familiar with Equitable Advisors' guidelines for offering and managing discretionary accounts. Prior to placing a discretionary trade, the IAR will be fully credentialed and versed in the product being traded. Note that in qualified accounts, the Financial Professional may not exercise discretion when recommending the 1290 Funds, AB Funds, or Equitable branded variable annuity products. In those cases, client approval will be sought prior to any such investments being made.

Where Equitable Advisors is authorized to act on a discretionary basis in an account subject to ERISA, Equitable Advisors and the Financial Professional do so as an investment manager appointed under ERISA Section 3(38), unless otherwise agreed in writing.

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

As a matter of firm policy and practice, we do not have and will not accept authority to vote proxies on behalf of advisory clients, nor do we provide advice to clients as to how they should vote their own proxies. For the advisory programs we offer through LPL Programs and TAMPs, the client should refer to the program sponsor's Form ADV Part 2A to determine the program sponsor's policy on and/or instructions for voting client securities. In certain instances, the program sponsor may vote proxies on behalf of the client, while, in others, clients will retain the responsibility for receiving and voting proxies.

### **Item 18 - Financial Information**

See attached Statement of Financial Condition.

**[STATEMENT OF FINANCIAL CONDITION]**

**Equitable Advisors, LLC**  
**(A wholly owned subsidiary of Equitable Holdings, Inc.)**  
**Statement of Financial Condition**  
**December 31, 2023**



**Equitable Advisors, LLC**

**(A wholly owned subsidiary of Equitable Holdings, Inc.)**

**Index**

**December 31, 2023**

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Member of Equitable Advisors, LLC

***Opinion on the Financial Statement – Statement of Financial Condition***

We have audited the accompanying statement of financial condition of Equitable Advisors, LLC (the “Company”) as of December 31, 2023, including the related notes (collectively referred to as the “financial statement”). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of December 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

The financial statement is the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of this financial statement in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

*PricewaterhouseCoopers LLP*

Charlotte, North Carolina  
February 28, 2024

We have served as the Company's auditor since 1999.

**Equitable Advisors, LLC**  
**(A wholly owned subsidiary of Equitable Holdings, Inc.)**  
**Statement of Financial Condition**  
**December 31, 2023**

**Assets**

Cash and cash equivalents	\$ 104,987,497
Receivable from affiliates	995,157
Receivable from sponsors and broker-dealers	27,581,171
Deferred tax assets	2,232,940
Prepays and other assets, net	4,914,480
Goodwill & other intangible assets	\$ 4,563,261
Total assets	<u>\$ 145,274,506</u>

**Liabilities and Member's Capital**

**Liabilities**

Payable to affiliates	\$ 21,376,845
Payable for commissions and fees	29,259,314
Other liabilities	2,494,279
Total Liabilities	<u>53,130,438</u>

**Member's Capital**

Total liabilities and member's capital	<u>\$ 145,274,506</u>
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The accompanying notes are an integral part of these financial statements.

**Equitable Advisors, LLC**  
**(A wholly owned subsidiary of Equitable Holdings, Inc.)**  
**Notes to Financial Statements**  
**Year ended December 31, 2023**

**1) Organization**

Equitable Advisors, LLC (the Company), a Delaware limited liability company, is a wholly owned subsidiary of Equitable Distribution Holding Corporation (Holding) which is a wholly owned subsidiary of Equitable Financial Services, LLC (EFS). EFS is a direct, wholly-owned subsidiary of Equitable Holdings, Inc. (EQH).

The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority (FINRA). The Company is also a registered investment advisor under the Investment Advisors Act of 1940. Its principal businesses are the distribution of shares of investment products, primarily mutual funds offered by affiliates and third parties, as well as the sale of brokerage products and variable life insurance and annuity contracts issued by Equitable Financial Life Insurance Company (Equitable) and Equitable Financial Life Insurance Company of America (EFLOA), wholly owned subsidiaries of EFS. The Company focuses on the development and management of retail customers and currently offers a variety of asset management accounts with related services, as well as money management products such as asset allocation programs and advisory accounts. Retail distribution of products and services is accomplished by financial professionals (FP's) contracted with Equitable Network, LLC, an affiliate, and the Company.

Effective October 31, 2023, the net assets of Penn Investment Advisors, Inc. (PIA), a wholly-owned subsidiary of Holding, were transferred at their historical cost basis into the Company. For this common control transaction, the transfer is effective as of the date purchased by Holding in October 2022.

LPL Financial LLC (LPL), an independent brokerage firm, provides clearing and certain back-office brokerage services to the Company on a fully disclosed basis. The agreement between LPL and the Company is in effect through April 1, 2024 (the LPL Agreement). The LPL Agreement will renew automatically for an additional twenty-four month term unless terminated under certain conditions.

**2) Significant Accounting Policies**

Basis of Presentation

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions (including normal, recurring accruals) that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. The accompanying financial statements reflect all adjustments necessary in the opinion of management for a fair presentation of the financial position of the Company and its result of operations and cash flows for the period presented.

The Company estimates that the carrying value of receivables and payables approximates fair value, due to their short term nature.

**Equitable Advisors, LLC**  
**(A wholly owned subsidiary of Equitable Holdings, Inc.)**  
**Notes to Financial Statements**  
**Year ended December 31, 2023**

Future Adoption of New Accounting Pronouncements

Description	Effective Date and	Effect on the Financial
<b><i>ASU 2023-09: Income Taxes (Topic 740): Improvements to Income Tax Disclosures</i></b>		
<p>The ASU enhances existing income tax disclosures primarily related to the rate reconciliation and income taxes paid information. With regard to the improvements to disclosures of rate reconciliation, a public business entity is required on an annual basis to (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold. Similarly, a public entity is required to provide the amount of income taxes paid (net of refunds received) disaggregated by (1) federal, state, and foreign taxes and by (2) individual jurisdictions in which income taxes paid (net of refunds received) is equal to or greater than 5 percent of total income taxes paid (net of refunds received).</p> <p>The ASU also includes certain other amendments to improve the effectiveness of income tax disclosures, for example, an entity is required to provide (1) pretax income (or loss) from continuing operations disaggregated between domestic and foreign, and (2) income tax expense (or benefit) from continuing operations disaggregated by federal, state, and foreign. ASU 2023-07: Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.</p>	<p>The ASU will be effective for annual periods beginning after December 15, 2024. Entities are required to apply the ASU on a prospective basis.</p>	<p>The adoption of ASU 2023-09 is not expected to materially impact the Company's financial position, results of operation, or cash flows</p>
<b><i>ASU 2023-07: Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures</i></b>		
<p>This ASU provides improvements to reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple measures of segment profit or loss, provide new segment disclosure requirements for entities with a single reportable segment and contain other disclosure requirements.</p>	<p>The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods in fiscal years beginning after December 15, 2024. The ASU should be adopted retrospectively to all periods presented in the financial statements unless it is impracticable to do so.</p>	<p>The adoption of ASU 2023-09 is not expected to materially impact the Company's financial position, results of operation, or cash flows.</p>

**Equitable Advisors, LLC**  
**(A wholly owned subsidiary of Equitable Holdings, Inc.)**  
**Notes to Financial Statements**  
**Year ended December 31, 2023**

Revenue Recognition

The following table sets forth the disaggregation of the Company's revenue by major source for the year ended December 31, 2023:

**Revenues**

Commissions, concessions and fees:	
Variable life and annuity commissions	\$ 469,126,790
Investment advisory fees	429,993,949
Trade execution fees	43,571,726
Trail commissions	42,746,004
Retirement and Financial planning revenue	8,153,740
Other	1,349,336
Total commissions, concessions and fees	<u>994,941,545</u>
Investment products and distribution fees	185,045,519
Advisory reallowance fees	66,631,933
Sweep revenue	49,973,668
Marketing support revenue	6,896,641
Other income	9,392,886
<b>Total revenues</b>	<u><u>\$ 1,312,882,192</u></u>

***Commissions, concessions and fees revenue***

The Company earns variable life and annuity commissions on the sale of insurance contracts by Equitable, EFLOA, and third-party providers. Each time a customer purchases a variable life or annuity policy or contributes to an existing policy, the Company earns a commission. Commissions are recorded on the contribution date. Commission revenue is calculated based on the contribution amount at a rate determined by the sales contract. The Company believes that the performance obligation is satisfied on the contribution date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership of the policy have been transferred to the customer.

The Company may also receive fees paid over time by the insurance provider. The Company believes that its performance obligation is the issuance of insurance contracts to customers and as such this is fulfilled on the contribution date. Variable amounts are recognized to the extent it is probable that a significant revenue reversal will not occur once the uncertainty is resolved. For variable amounts, as the uncertainty is dependent on the value of the policy at future points in time as well as the length of time the customer remains in the policy, both of which are highly susceptible to factors outside the Company's influence, the Company does not believe that it can overcome this constraint until the market value of the policy and the customer activities are known, which are usually monthly or quarterly. Renewal commission fees are based on customer account values as of the period-end date and commission rates stated in the initial contract. Renewal commission fees recognized in the current period are primarily related to performance obligations that have been satisfied in prior periods.

The Company provides investment advisory services by managing client assets under administration (AUA). The Company believes the performance obligation for providing advisory services is satisfied over time as the customer is

**Equitable Advisors, LLC**  
**(A wholly owned subsidiary of Equitable Holdings, Inc.)**  
**Notes to Financial Statements**

**Year ended December 31, 2023**

receiving and consuming the benefits each day their assets are managed by the Company. Fee arrangements for Investment Advisory fees are based on a percentage applied to the customer's average monthly assets under administration (AUA). Fees from LPL are recognized as revenue on a monthly basis as they relate specifically to the services provided in that period and the value of consideration can be determined as all components of the transaction price are no longer variable. Fees are paid by LPL monthly. Fees from other investment advisors are received on a quarterly basis and are deferred until recognized in the month the service is provided.

The Company earns trade execution fees as commissions when customers buy and sell securities. Trade execution fees are determined by type of security traded by the client under the clearing contract. Generally, the transaction price is agreed upon at the point of each trade and based upon the number of shares traded or value of consideration traded. Trade execution fees are recorded on the trade date, which is when the performance obligation is satisfied as that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership of the securities have been transferred to the customer. Securities transactions executed but not settled as of December 31, 2023 are reflected in the Statement of Financial Condition within Receivable from sponsors and broker-dealers, and were subsequently settled after December 31, 2023.

The Company earns trail commissions when the Company enters into arrangements with managed accounts or other pooled investment vehicles (funds) to distribute shares to investors. The Company receives distribution fees paid by the funds over time pursuant to the Investment Company Act of 1940 for marketing & selling products (12b-1 fees). The Company believes that its performance obligation is the sale of fund shares to investors and as such this is fulfilled on the sale date. Variable amounts of 12b-1 trailing fees are recognized to the extent it is probable that a significant revenue reversal will not occur once the uncertainty is resolved. For variable amounts, as the uncertainty is dependent on the value of the shares at future points in time as well as the length of time the investor remains in the fund, both of which are highly susceptible to factors outside the Company's influence, the Company does not believe that it can overcome this constraint until the market value of the fund and the investor activities are known, which are usually monthly or quarterly. 12b-1 trailing fees are accrued based on the daily average value of assets invested over the period (month or quarter) at a rate determined by the fund prospectus. 12b-1 trailing fees recognized in the current period are primarily related to performance obligations that have been satisfied in prior periods.

The Company earns retirement and financial planning revenue when the Company provides fee-based and non fee-based financial planning services. The Company believes the performance obligation for providing financial planning services is satisfied over time because the customer is receiving and consuming the benefits as they are provided by the Company. Fee-based plans are for advisory services provided to ERISA-based retirements plans. Fee based ERISA plans can be paid either from plan assets or by the plan sponsor directly. When paid from plan assets, they are paid by the recordkeeper in arrears and are based on Assets Under Management (AUM) at the end of the preceding quarter/month. The fees are paid either quarterly or monthly. When fees are paid by the plan sponsor via an invoice, the fees are based on AUM at the start of the billable period, which is either quarterly or annually. Fees are recognized as revenue each month as they relate specifically to the services provided in that period. Non fee-based financial planning services are provided for one-time services such as estate planning. These fees are collected upfront and deferred from recognition until the final plan is delivered to the customer, which is when the performance obligation has been met. All non fee-based plans must be completed within one year or a new agreement must be established or a refund made to the client. Deferred revenue for fee-based and non fee-based financial planning services at December 31, 2023 was \$773,729 and is included in Other Liabilities.

Other consists of client referral fees earned from AllianceBernstein L.P. (AllianceBernstein), an affiliated entity, and other mutual fund sponsors. The Company earns referral fees when the Company sells investment products from these



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entities. The Company believes that the performance obligation is satisfied through the purchase of referred Alliance Bernstein and other affiliated funds which occurs at the point the referred fund investment is purchased by clients as that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership of the investment have been transferred to the customer. Client referral fee income is received quarterly but accrued monthly and is recognized as Other income revenue at that time as they relate specifically to the services provided in that period.

***Investment Products and Distribution Fees***

The Company provides distribution and shareholder support services in connection with Equitable Distributors, LLC's distribution of shares of investment products, specifically EQAT and VIP Trusts. Effective November 2023, EQAT acquired the net assets of VIP through a funds merger transaction of separate investment companies. The Company receives distribution fees paid by the fund over time pursuant to the Investment Company Act of 1940 for marketing & selling products (12b-1 fees). The Company believes that its performance obligation is the sale of fund shares to investors and as such this is fulfilled on the sale date. Variable amounts of distribution (12b-1) fees are recognized to the extent it is probable that a significant revenue reversal will not occur once the uncertainty is resolved. For variable amounts, as the uncertainty is dependent on the value of the shares at future points in time as well as the length of time the investor remains in the fund, both of which are highly susceptible to factors outside the Company's influence, the Company does not believe that it can overcome this constraint until the market value of the fund and the investor activities are known, which are usually monthly or quarterly. These distribution (12b-1) fees are based on average daily AUM reporting and cash-settled with the Trusts each month at a contractual rate per annum for the average daily net assets attributable to the share class/portfolio for which the Company provides distribution services. Distribution (12b-1) fees recognized in the current period are primarily related to performance obligations that have been satisfied in prior periods.

***Advisory Reallowance Fees***

The Company receives Advisory reallowance fees on a quarterly basis for the retention of client funds in LPL's advisory platform accounts. Fees are paid by LPL quarterly based on average monthly AUM tiers and rates established by the LPL agreement. The Company believes the performance obligation for retaining clients within LPL advisory platform is satisfied over time as the customer, LPL, is receiving and consuming the benefits each day the client assets are retained and managed on their platform. Advisory reallowance fees from LPL are received quarterly but accrued and recognized as revenue on a monthly basis, as the fees relate specifically to the services provided in that period, and the value of consideration can be determined, as all components of the transaction price are no longer variable.

***Sweep Revenue***

The Company earns Sweep Revenue over time based on client investments in LPL's money market sweep product. The performance obligation is satisfied daily as clients receive the benefits associated with being involved in the sweep product. Sweep revenue is accrued in the month it is earned and paid by LPL in the month following.

***Marketing Support Income***

The Company earns marketing support income by entering into arrangements with third-party firms to sell third-party products to the Company's customers. The Company receives fees paid by the third-party firm over time based on contractual rates of clients' AUM associated with such third-party. The Company believes the performance obligation is satisfied over time through the distribution and sales of the third party products to The Company's customers which

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occurs daily and that the customer is consuming the benefits each day their assets are managed under the fund as the customer is receiving and consuming the benefits each day the client assets remain in the fund and are supported by the Company's representatives. Marketing support income is received monthly and quarterly but accrued monthly and is recognized as revenue at that time as they relate specifically to the services provided in that period the value of consideration can be determined as all components of the transaction price are no longer variable.

***Other Income***

Other income consists of interest earned on short term money market fund investments. Interest is received monthly and recorded to Other income as received.

Payable for commissions and fees

The company expenses all sales commissions when incurred. These costs are recorded within commissions, overrides and fees expenses.

Cash and Cash Equivalents

The company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. As of December 31, 2023, the cash held at two banks exceeded the Federal Deposit Insurance Company (FDIC) insurance limits.

Cash equivalents at December 31, 2023 include investments in a money market fund of an affiliated registered investment advisor, AllianceBernstein, totaling \$103,408,859. Interest income is accrued as earned.

Given the concentration of cash and cash equivalents, the Company may be exposed to certain counterparty risk.

Prepays and Other Assets, net

Prepays and other assets include \$1,166,400 of technology and analysis subscription cost chargebacks to FP's, reduced by an allowance for doubtful accounts of \$367,100 (the allowance is maintained at a level that the Company estimates to be sufficient to absorb potential losses and is primarily based on the current aging and historical collectability of these receivables), prepaid regulatory fees of \$155,763, prepaid federal tax liability of \$2,537,366 and accrued advisory fees for client accounts on an arrears billing cycle of \$1,422,051.

Goodwill and Other Intangibles

Goodwill represents the excess of purchase price over the estimated fair value of identifiable net assets acquired in a business combination. The Company tests goodwill for recoverability each annual reporting period at December 31 and at interim periods if facts or circumstances are indicative of potential impairment.

The Company's intangible assets reflect amounts assigned to acquired customer relationships and contracts at the time of acquisition, less accumulated amortization. These intangible assets generally are amortized on a straight-line basis over their estimated useful life of approximately 7 years. All intangible assets are periodically reviewed for impairment as events or changes in circumstances indicated that the carrying value may not be recoverable. If the carrying value exceeds fair value, impairment tests are performed to measure the amount of the impairment loss, if any.

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As of December 31, 2023, the Company had goodwill of \$3,130,041 and intangible assets of \$1,433,220 totaling \$4,563,261 resulting solely from the acquisition of PIA.

Income Taxes

The Company is included in the consolidated federal income tax return filed by EQH, and the consolidated state and local income tax returns filed by Holding. Federal income taxes are calculated as if the Company filed on a separate return basis, and the amount of current taxes or benefit calculated is either remitted to or received from Holding. The amounts of current and deferred income tax-related assets and liabilities are recognized as of the date of the financial statements utilizing currently enacted tax laws and rates. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years. Under the state tax sharing agreement with Holding, the Company computes its state tax liability as if the Company filed state tax returns on a separate-return basis; if the Company's tax attributes are utilized by Holding to reduce Holding's state tax liability, the Company will be reimbursed.

Subsequent Events

Events and transactions subsequent to the balance sheet date have been evaluated by management, for purpose of recognition or disclosure in these financial statements, through February 28, 2024, the date that these financial statements were available to be issued.

**3) Fair Value Measurement**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The accounting guidance established a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, and identifies three levels of inputs that may be used to measure fair value:

**Level 1** - Unadjusted quoted prices for identical assets or liabilities in active markets. Level 1 fair values generally are supported by market transactions that occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

**Level 2** - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and inputs to model-derived valuations that are directly observable or can be corroborated by observable market data.

**Level 3** - Unobservable inputs supported by little or no market activity and often requiring significant management judgment or estimation, such as an entity's own assumptions about the cash flows or other significant components of value that market participants would use in pricing the asset or liability.

**Financial Instruments Measured at Fair Value on a Recurring Basis**

<b>December 31, 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash equivalents	\$ 103,408,859	\$ —	\$ —	\$ 103,408,859

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Cash equivalents classified as Level 1 include investments in a money market fund of an affiliated registered investment advisor, AllianceBernstein and is carried at its approximate fair value as reported by the registered money market fund.

**4) Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital Rule (the Rule), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined in the Rule, shall not exceed 15 to 1. As of December 31, 2023, the Company had net capital of \$49,465,838 which exceeded required net capital of \$3,542,032 by \$45,923,806 and the Company's ratio of aggregate indebtedness to net capital was 1.07 to 1.

**5) Transactions With Affiliates**

On December 6, 2023 the Company's Board of Directors authorized a \$110 million distribution to its parent, Holding. The amount was paid on December 27, 2023. Dividend payments and other equity withdrawals are subject to certain notification and other provisions of the Rule.

During 2023, the Company earned concessions and fees of \$4,865,426 for products offered by its affiliate, AllianceBernstein, \$1,116,007 from Equitable Distributors, LLC (EDL) and \$127,962 from Equitable Investment Management Group LLC (EIMG). Receivable from affiliates as of December 31, 2023 includes \$880,439 due from AllianceBernstein, \$114,718 due from Equitable Distributors, LLC.

Pursuant to the Agreement for Cooperative and Joint Use of Personnel, Property and Services, and the Distribution and Servicing Agreement, Equitable provides the Company with personnel to perform management, administrative, clerical and sales services and makes available the use of certain property and facilities. During 2023, the Company incurred expenses of \$75,743,703 for the cost of such personnel and services, including \$462,341 of allocated costs for various share-based compensation plans sponsored by EQH.

At December 31, 2023, the Company had a payable to affiliates of \$21,376,845, of which \$9,682,628 was due to Equitable and its affiliates for shared expenses; \$11,269,033 was due to Equitable Network, LLC primarily for reimbursement of commission expenses paid on behalf of the Company; and \$425,184 was due to Equitable for commissions.

During 2023, the Company earned \$469,126,790 of commissions, concessions and fees and \$185,045,519 of investment products and distribution fees from affiliates, which were simultaneously paid out to FPs or paid to the affiliates for services pursuant to the agreements described above.

**6) Income Taxes**

As a single member limited liability company, the Company is treated as a division of Holding for Federal and State income tax purposes, not as a separate taxable entity. Tax sharing arrangements between the Company and Holding provide that the amount the Company will either remit to or receive from Holding for its share of Federal and State income taxes is calculated as though the Company was filing separate Federal and State income tax returns. Under the Federal income tax sharing agreement, the Company is reimbursed for the use of its separate company losses or tax credits to the extent there is an aggregate reduction in the consolidated federal tax liability of EQH and it is reasonable to expect EQH's liability to be reduced. The Company is reimbursed for the use of such items under the State income tax sharing agreement in the years they actually reduce the consolidated state income tax liability of Holding.

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A summary of the income tax provision in the Statement of Operations follows:

	<b>Federal</b>	<b>State</b>	<b>Total</b>
<b>Income tax provision</b>			
Current expense	\$ 30,236,484	\$ 13,207,327	\$ 43,443,811
Deferred expense (benefit)	\$ 244,803	\$ 11,181	\$ 255,984
	<u>\$ 30,481,287</u>	<u>\$ 13,218,508</u>	<u>\$ 43,699,795</u>

The Company had the following deferred tax assets as of December 31, 2022.

State net operating loss	\$ 7,631
Deferred compensation	2,443,970
State income tax	(371,755)
Other	<u>153,094</u>
Deferred Tax Assets	<u><u>\$ 2,232,940</u></u>

At December 31, 2023, the Company had a total net deferred state tax asset of \$ 770,702 and a net deferred federal income tax asset of \$ 1,462,238.

The Company has determined that it is more likely than not that the federal, state and local deferred tax assets will be realized. As of December 31, 2023, the Company had total current taxes receivable of \$ 2,534,667 comprised of a federal income tax receivable of \$2,537,366 and a state income tax liability of \$ 2,699.

The effective rate of 28% differs from the statutory tax rate of 21% primarily due to state income taxes of \$10,440,273 net of federal benefit.

As of December 31, 2023, the Company had no liability for uncertain tax positions.

The 2014 through 2022 tax years are open to examination by the Internal Revenue Service and the 2017 through 2022 tax years are open to examination by state tax authorities.

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**7) Off-Balance Sheet Risk**

In the normal course of business, the Company may enter into contracts that contain various representations and indemnities including a contract where it executes, as agent, transactions on behalf of customers through a clearing broker on a fully disclosed basis. If the agency transactions do not settle because of failure to perform by either the customer or the counterparty, the Company may be required to discharge the obligation of the nonperforming party and, as a result, may incur a loss if the market value of the underlying security is different from the contract amount of the transaction. The Company has the right to pursue collection or performance from the counterparties who do not perform under the contractual obligations. Although the right of the clearing broker to charge the Company applies to all trades executed through the clearing broker, the Company believes there is no estimable amount assignable to this right or rights under other contracts as any obligation would be based on the future nonperformance by the counterparties. At December 31, 2023, the Company has recorded no liabilities with regards to these rights.

The Company is subject to credit risk to the extent the sponsors and the clearing broker may be unable to repay the amounts owed.

**8) Commitments And Contingencies**

The Company is involved in various regulatory matters, legal actions and proceedings in connection with its business. Some of the actions and proceedings have been brought on behalf of various claimants and certain of those claimants seek damages of unspecified amounts. For certain specific matters, the Company estimates a liability which is included within Other liabilities on the Statement of Financial Condition. For certain other matters, management cannot make a reasonable estimate of loss. While the ultimate outcome of these matters cannot be predicted with certainty, in the opinion of management, the Company does not currently believe that potential losses are likely to have a material adverse effect on the Company's financial condition.